

The **NATIONAL UNDERWRITER**



Sharp Lookout

Security at sea demands a sharp lookout. And the security of American industry calls for a similar vigilance. Through its skilled safety engineering, Standard of Detroit keeps a weather-eye on the operation of its risks.

For 55 years this stalwart Casualty Insurance and Bonding Company has pioneered in accident prevention through timely recommendations for the elimination of incorrect practices and installation of safeguards. Making some 57,000

safety surveys yearly, it properly classifies your risks; works to save your clients' time and profits.

In addition, Standard Accident's friendly individual co-operation, timely sales helps, and forceful national advertising can open up new business for you. And, to help you hold this business, an alert management maintains a nation-wide organization of experienced field men, underwriters, inspectors, claim adjusters, and auditors.

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884

THURSDAY, AUGUST 10, 1939



SPILT MILK

Suc
cessful agents
appreciate that
"getting the business"

is only part of the highly
competitive job of selling insurance.
Equally important is the job of *holding* the
business—which, in effect, means proper service by
the agent. This service is made possible through the
adequate facilities and experience behind the company
which the agent represents. And that's where so much
"milk is spilled!" What to do about it? Don't cry over

spilt milk. . . . There's a better alternative. The
facilities offered by the United States Fire Insur-
ance Company can fully equip you to enter the
field of competition—can arm you with tangible as-
sets which enable you to *get* and *hold* business. Agents
representing the United States Fire Insurance Company
will find a complete organization at their command to
render every possible cooperation. Departments are main-
tained to assist in the development of business and to give
service to clients on both underwriting and loss matters.
Let us help you wage a winning fight—whether it be to
get new business—to give your assureds the kind of
satisfying service necessary to hold your business
—or to assist you in recovering business that
has been lost during the depression

UNITED STATES FIRE INSURANCE COMPANY

CRUM AND FORSTER
MANAGERS

110 WILLIAM ST., NEW YORK CITY

WESTERN DEPARTMENT
FREEPORT, ILLINOIS

SOUTHERN DEPARTMENT
ATLANTA, GEORGIA

CAROLINAS DEPARTMENT
DURHAM, NORTH CAROLINA

PACIFIC DEPARTMENT
SAN FRANCISCO, CALIFORNIA

ALLEGHENY DEPARTMENT
PITTSBURGH, PENNSYLVANIA

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The NATIONAL UNDERWRITER

Forty-third Year—No. 32

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 10, 1939

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Federal Hardware and Implement Group to Dissolve

Three Cooperating Companies to Operate Independently After Oct. 1

ST. PAUL — According to information received by the Minnesota department, the three companies which make up the Federal Hardware & Implement Mutual group have taken steps to dissolve the tieup under which they have been operating for several years. The divorce is supposed to be effective around Oct. 1, after which each company will operate "on its own."

The three companies in the group are the Hardware Dealers Mutual Fire of Stevens Point, Wis., Minnesota Implement Dealers Mutual Fire of Owatonna and Minnesota Hardware Mutual Fire of Minneapolis. For several years they have been issuing joint policies, each member of the group having a fixed territory.

After Oct. 1, it is understood, separate policies will be written by each company although the territorial arrangement may be continued in some form.

The breakup of the group really started a year ago when the Minnesota Hardware Mutual Fire organized its own indemnity company as a stock company. At that time other members of the group, which had been occupying office space in the Minnesota Hardware Mutual building, leased office quarters in another Minneapolis building.

Indiana Agents Meet Nov. 9-10

The annual convention of the Indiana Association of Insurance Agents will be held at the Indianapolis Athletic Club, in that city, Nov. 9-10. The principal speaker will be Ray Murphy, assistant general manager Association of Casualty & Surety Executives, whose subject will be "The Road to Ruin." Other details of the program are shaping up according to Miss Elizabeth Augustus, acting secretary. Ross E. Coffin, Indianapolis, is president.

Commissioners' Zone Chairmen

Secretary Jess G. Read announces appointment of the following zone chairmen for the National Association of Insurance Commissioners: 1, Blackall, Connecticut; 2, Bowles, Virginia; 3, McCormack, Tennessee; 4, Yetka, Minnesota; 5, Harrison, Arkansas, and 6, Earle, Oregon.

Griggs at N. Y. Office

E. M. Griggs of Chicago, assistant general counsel of the National Board, is in New York to remain at the head office while General Counsel J. H. Doyle is on a vacation. Miss Lillie McAndrews, Mr. Doyle's secretary, is on a vacation cruise to Mexico.

Conclude Eastern Hearings in Missouri Case

**Hold Two Day Session
in Hartford—Back in
Chicago Thursday**

By GEORGE A. WATSON

HARTFORD—Officials of a number of New England fire companies, at a hearing before Federal Master P. V. Barnett, here Monday, were queried as to their knowledge of the Missouri rate compromise of March, 1936; facing practically the same hurdles as did the company chiefs during the committee hearings in New York last week.

When the gathering adjourned early in the evening, although a score of prominent executives had testified, very few facts were brought out that had not been developed at the New York and Chicago hearings.

Testimony by W. H. Talcott, treasurer Scottish Union, the last of 11 witnesses, called Tuesday, concluded the hearings in the Missouri rate case in so far as this city is concerned, attorneys for both the Missouri department and for the companies as well as Federal Master P. V. Barnett, leaving for New York, where they entrained for Chicago Wednesday, planning a session in that city Thursday morning.

In Chicago further testimony will be heard from Manager Russell Hobbs of Western Actuarial Bureau and Attorney R. J. Folonie. Soon thereafter it is intended to proceed in turn to St. Louis and Kansas City.

McCormack to Be Summoned

In St. Louis A. L. McCormack will be placed upon the stand to tell what he knows about the compromise settlement and in Kansas City, among others, W. Ross McCain, president Aetna Fire, will give testimony, which absence from this city prevented his doing here Tuesday.

In all some 80 witnesses have been heard in the case to date, and a mass of documentary material offered in evidence, all of which will be analyzed by Mr. Barnett, preliminary to the preparation of his report to the three-judge federal court at Kansas City that directed the investigation.

Bissell "Astounded" at News

R. M. Bissell, president of Hartford Fire, an early witness, gave perhaps the most interesting testimony. His responses were followed with unusual interest, not only because of the prominence of the companies under his control, but largely on account of his established character. Speaking clearly and quietly, he became emphatic only when answering a question of the state counsel as to whether he had any intimation that the money contributed by the companies at C. R. Street's request, was to be used for corrupt purposes. He declared he was "astounded" when he learned of the matter through the press.

Mr. Bissell testified to attending a

(CONTINUED ON PAGE 10)

**Paul Haid's Testimony
Is Highlight of Sessions
in New York**

NEW YORK — The high point of interest in the series of hearings held here last week before P. V. Barnett of Kansas City, special master appointed by the federal court to take testimony in connection with the Missouri rate compromise of 1936, was reached when P. L. Haid, president of the Insurance



PAUL L. HAID

Executives Association, took the witness chair at the final session here.

Mr. Haid testified that, as a matter of courtesy, he complied with the request in April of C. R. Street that he ask a number of leading company officials to attend a meeting at the office of the I. E. A. May 2, 1935, and was present as a spectator.

At that 1935 gathering, as nearly as Mr. Haid could recall, Mr. Street told the company officials that he was under heavy pressure from the local agents of Missouri to effect a compromise of some sort in order that the local men might secure their commissions; that pressure had also been put upon him by chambers of commerce, all anxious to have the litigation terminated. Mr. Street declared that in order to effect a compromise with officials of Missouri with whom he was negotiating at the time, but whose names or position he did not reveal, it would be necessary to have \$100,000 for expenses, and he asked for volunteer contributions toward that amount.

Got Pledge of \$62,500

Without inquiring as to particulars executives of five of the companies pledged various amounts, the total of which plus Mr. Street's contribution, aggregated \$62,500. The remaining \$37,500 presumably was raised at a gathering of company officials at Hartford

(CONTINUED ON PAGE 8)

Merchandising Will Occupy One Session of Boston Meeting

**W. T. Ashby of Newark,
Calvin How of Duluth and
A. J. Huneke Will Lead**

NEW YORK—As plans continue to progress for the Boston convention of the National Association of Insurance Agents the week of Oct. 2, announcement is made that W. T. Ashby of Newark, Calvin How of Duluth, and A. J. Huneke of New York City, all experts in their particular line, will lead the instructive "Insurance Merchandising" discussions which, within the past three years, have become more and more the educational meat of the conventions.

The merchandising session has been scheduled for Wednesday afternoon, Oct. 4. Following the presentation of these subjects the convention will consider one of the major open business problems on the National association calendar—constitutional amendments.

Simultaneous with the announcement of Mr. Ashby's first appearance on a National association program since he forsook the company side of the business to enter agency work, it was also made known that he has agreed to represent the association as adviser in underwriting and technical casualty insurance matters at Washington, cooperating on call with Assistant Counsel W. T. Reed, Jr., of the Washington office.

W. Herbert Stewart of Chicago, chairman of the surety committee, represents the National association on surety matters, and past President W. Owen Wilson of Richmond on fire problems.

Non-ownership Liability

Non-ownership automobile liability insurance will be Mr. Ashby's subject. He will enter into a complete explanation of this coverage, what it includes, possibility of sales, prospects, and will be prepared to give many cases illustrating its need and adaptability.

Mr. Ashby came into the insurance field from Missouri, where he was born and reared. His first job was with a Harrisonville, Mo., office which dealt in real estate, loans, insurance and law. Attracted by law, he studied and read up on the subject for a number of years. From the combination office at Harrisonville, Mr. Ashby spent a number of years in the sales departments of the Armour, Cudahy and Wilson meat packing plants, and with the Johnson Soap Company. His first insurance job was in 1919 with the National Surety, from which he shortly thereafter joined the Globe Indemnity in charge of its specialties department, promoting the sale of casualty policies not widely sold.

He became superintendent in charge of production and later resident vice president in charge of the New Jersey department. In 1937, he resigned from

(CONTINUED ON PAGE 22)

Unique "Analyzer" Shows How to Check Policies

A new and unique survey aid, called the "Insurance Policy Sales and Survey Analyzer," has been published by THE NATIONAL UNDERWRITER. This volume, compiled by William D. Lynn, an agent who has been outstandingly successful in surveys, lists under each form of insurance the points which should be checked in analyzing the policies of an assured for whom a survey has been made. It is not a blank form to be filled out when a survey is presented to the client, or a list of coverages applicable to an insured, but a listing of the critical points upon which errors in writing insurance have often been made.

The "Analyzer" fills a need which is not supplied by any present publication. It can be used with any of the survey material supplied by insurance companies or publishing houses and is a supplement to all the survey aids on the market. It can also be used in checking policies issued by an agent or broker to be sure they are correct on all counts.

A Flexible Reference

The "Analyzer" is very convenient to use. It is spiral bound and lies flat and is in large and clear type, so that it can be readily followed while an agent is checking policies. It is fully indexed and only one coverage is treated on each page. It is flexible and can be adapted to every person's individual ideas on surveys. Generous blank space is left for the user to add his own notes and ideas and to indicate all changes and points applying to his own locality.

Like other agents found themselves up against the problem of providing a ready reference to all the necessary points while making critical surveys, Mr. Lynn kept his own note book and indicated the various important points under each coverage. Over a period of years, during which Mr. Lynn made many surveys with great success, this note book grew to a substantial volume. He finally brought it out in mimeographed form. The "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER arranged to have the "Analyzer" printed and made available for general distribution.

As a further convenience, the 90 pages of the "Analyzer" are keyed with the "Fire, Casualty & Surety Bulletins." Points brought out in the "Analyzer" and discussed in the "F. C. & S. Bulletins" are indicated by the page numbers in the latter service. The "Analyzer," however, may be used by any one making surveys, whether or not he subscribes to the service.

The "Analyzer" is published by the "Fire, Casualty & Surety Bulletins" department of THE NATIONAL UNDERWRITER at 420 East Fourth street, Cincinnati. It sells for \$2, with discounts for quantities. Copies may be obtained at any office of THE NATIONAL UNDERWRITER.

Reece Establishes Life Agency

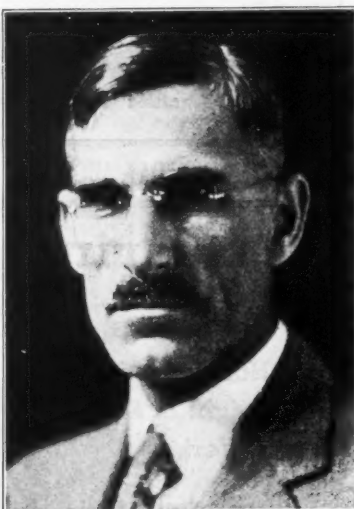
KNOXVILLE, TENN.—Joseph I. Reece, former insurance commissioner of Tennessee, has opened an office here as general agent and branch manager of the American United Life. He will supervise east Tennessee counties between Chattanooga and Bristol.

Los Angeles Special Luncheon

The Insurance Exchange of Los Angeles will hold a luncheon Aug. 21 as a part of the mid-year regional meeting of the California Association of Insurance Agents. At that time two confidential matters of vital importance to the agents in this territory will be discussed. Officers of the state association will be present.

Freeman & Lawrence, a Boston agency conducted by the late George W. Bone, has become associated with Elmer A. Lord & Co., Boston.

National Inspection Company Head Is Feted



JOSEPH G. HUBBELL

J. G. Hubbell, associate manager of the National Inspection Company, Chicago, was feted by his associates at a luncheon in the Union League Club the other day on the occasion of the anniversary of his 30th year with the organization. This was a complete surprise to Mr. Hubbell. All of the field men were brought into the city by those who were arranging the affair, but they did not go to the office beforehand.

H. B. Chrissinger, associate manager, presided. Talks were made by Ralph L. Thiele, assistant manager, M. E. Bulske, chief inspector, and various inspectors spoke briefly in appreciation of Mr. Hubbell. There were numerous letters and telegrams. Mr. Hubbell was presented with a handsome traveling bag. About 40 men sat down together at the luncheon. In addition to the members of the organization, M. M. Hendele, chief accountant in the western department of National Fire, was on hand. He has kept the books of the National Inspection Company, on the side, for many years.

The National Inspection Company was started in 1903 by a group of non-union companies as something of an offset to the old National Survey Bureau. Later the survey bureau passed out of existence. S. S. Hubbard got control of the National Inspection Company, but its operations were dwindling when Mr. Hubbard died. Mr. Hubbell, who was then in charge of the improved risk department of Fred S. James & Co., which was at that time western general agent for National Fire, became interested and arranged to purchase the National Inspection Company. He became secretary. At that

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Aug. 7, 1939.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00*	110	114
Aetna Fire	10	1.60	46½	48½
Aetna Life	10	1.35*	31½	33
Agricultural	25	3.25*	77	82
Amer. Alliance ..	10	1.20*	21½	23
Amer. Equitable ..	5	1.20	20	22
Amer. Home	10	...	8	9
Amer. (N. J.) ...	2.50	...	13½	14½
Amer. Surety	25	2.50	52	54
Automobile	10	1.30*	35	37
Balt. Amer.	2.50	3.30*	6	7
Bankers & Ship. ..	25	5.00	94	98
Boston	100	21.00	625	645
Camden Fire	5	1.00	21	23½
Carolina	10	1.30	28	30
Contl. Cas.	5	1.20	33	35
Contl. N. Y.	2.50	1.80*	35	36
Crum & Forster ..	10	1.00	27	29
Employers Reins. ..	10	1.60	48	52
Fidelity-Phen.	2.50	1.80*	36	37
Fire Assn.	10	2.50	66	68
Firemen's (N. J.) ..	5	1.40	9½	10½
Franklin	5	1.40*	23	30
Gen. Reinsur.	5	2.00	43	45
Glens Falls	5	1.60	38	40
Globe & Repub.	5	1.50	11	12
Gt. Amer. Fire	5	1.20*	26½	28
Gt. Amer. Ind.	1	1.20	10	11
Halifax Ins.	10	1.00**	22½	24
Hanover Fire	10	1.20	26	27½
Hartford Fire	10	2.00	79	81
Hartford St. Boil. ..	10	1.60	59	62
Home Fire Sec.	10	...	1½	2
Home Ins. (N.Y.) ..	5	1.60*	31	33
Home Indem.	3	...	11	13
Ins. Co. of N. A.	10	2.50*	69	71
Lincoln Fire	5	...	2½	3
Maryland Cas.	1	...	3½	3¾
Mass. Bonding	12.50	3.50	57	59
Merch. Com. (N.Y.) ..	5	1.70*	43	45
Natl. Cas.	10	1.20*	28	30
Natl. Fire	10	2.00	61	63
Natl. Liberty	2	4.0*	7	8
Nat. Union	20	5.00*	132	137
New Am. Cas.	2	.65	14	15
New Hampshire.	10	1.80	46	48
Northeastern of Hartford ..	5	...	4½	5
Northern (N. Y.) ..	12.50	5.00*	100	105
North River	2.50	1.20*	25	27
N. W. Natl.	25	5.75	125	130
Phoenix, Conn.	10	2.50*	78	80
Preferred Accl.	5	1.00*	17	18½
Prov. Wash.	10	1.40*	34	36
Republic, Tex.	10	1.20	25	27
St. Paul F. & M.	62.50	8.00	235	240
Security, Conn.	10	1.40	33	35
Sprgfd. F. & M.	25	4.75*	123	126
Travelers	100	16.00	455	470
U. S. Fire	4	2.00	52	54
U. S. F. & G.	2	1.00	22	23
Westchester Fire ..	2.50	1.60*	32½	34

*Includes extra. **Canadian funds.

time there were four inspectors and three members of the office staff. There are now 30 inspectors and about 12 in the office. The National Inspection Company now has five companies that were with the inspection company 30 years ago. They are: Fire Association, Hanover, Security of New Haven, American and London & Lancashire. Many of the inspectors that have had their training under Mr. Hubbell have become prominent in fire insurance company work.

The annual outing of the Manitowoc, Wis., Board was held at English Lake, attended by members, office employees and solicitors with members of their families.

Features of Ohio Agents Program

Headliners on the program were announced for the annual meeting of the Ohio Association of Insurance Agents at Dayton, Oct. 16-18. W. J. Cameron, Detroit public relations counsel Ford Motor Company, internationally famous as a speaker on the Ford Sunday evening hour, will talk at the annual banquet Tuesday night, Oct. 17.

Superintendent Pink of New York and Superintendent Lloyd of Ohio will take part in the closing luncheon session Oct. 18. The speaker at the luncheon Tuesday will be James Garfield Stewart, mayor of Cincinnati.

E. J. Bond, president Maryland Casualty, will talk on casualty insurance at the afternoon session Tuesday. President L. Calvin Jones announced other leaders in all branches of the insurance business will be on the program.

The convention will open Monday, October 16, with the annual Ohio insurance golf tournament, at which one hundred dollars in prizes will be awarded. To accommodate golfers and other early arrivals, the registration desk will open at 8 a.m. at the Biltmore Hotel. A golfers' buffet dinner will be held Monday night at the Biltmore. Any registrant may attend. There will be other entertainment, including an organized tour of Dayton industries. The annual dinner of trustees also will be held at the Biltmore Monday night.

Hold Departmental Conference

Convention sessions open Tuesday morning. President Jones will give his annual address, including a report on activities since the mid-year meeting. Later in the morning a tripartite departmental conference will be held by three officials of the Ohio department at which members of the association will be invited to ask questions and outline problems for discussion. J. Roth Crabbe, deputy superintendent; Raymond Rhoads, assistant superintendent, and L. U. Jeffries, warden, will preside. This conference is an annual feature of the conventions. Tuesday afternoon, in addition to Mr. Bond's address, will be featured two other factual and educational discussions by insurance leaders.

At the annual banquet there will be an entertainment program. The Wednesday morning sessions will include addresses by outstanding fire insurance and surety leaders of nationwide reputation, election of officers and transaction of business. The closing session will begin at noon and will include the addresses of Superintendents Pink of New York and Lloyd of Ohio. The association asked Mr. Lloyd to review briefly the reorganization and revitalization of the department under his administration and to outline the progress made, with explanation of policies he expects to pursue in the future.

Hail Loss Ratio in Oklahoma for 1938

OKLAHOMA CITY — Companies writing hail coverage on growing crops had a depressing experience for 1938, according to the report of the insurance commissioner. There were 35 stock fire companies writing this class. They collected in premiums \$862,134 and paid losses of \$942,033 with a loss ratio of 109.26. The incurred losses were \$940,018. For the previous year 34 companies collected net premiums of \$479,109, paid claims of \$258,197, with a loss ratio of 53.89 percent.

The report comments: "The loss ratio of hail insurance on growing crops for 1938 increased over 100 percent, a very disastrous year for the companies writing this coverage. The hail totals for a 24 year period indicate the year 1938 to be next to the highest loss ratio, 1915 being the highest. 1927 was the third highest of this 24 year period."

THIS WEEK IN INSURANCE

Hearings being conducted by a special federal court master in the Missouri rate case are concluded in the east, with sessions being held this week in Hartford. **Page 1**

Program for the merchandising forum at the annual convention of the National Association of Insurance Agents is announced. **Page 1**

Federal Hardware & Implement Mutual group with headquarters in Minneapolis to be dissolved. **Page 1**

Commission agents specifically excluded from operation of unemployment insurance section of U. S. social security act by amendment passed by Congress. **Page 3**

Details of new structural continuance coverage given. **Page 3**

Union Safe Deposit & Trust Co. and Maine Casualty, both of Portland, are consolidating under the title of Maine Bonding & Casualty. **Page 15**

Plate glass policy broadened. Rate changes announced. **Page 17**

New limited form of named operator automobile liability insurance provided for government employees. **Page 15**

Michigan supreme court decision expected to open flood of compensation claims. **Page 15**

Commissioner Blackall of Connecticut, in addressing a Rotary Club meeting, tells how the casualty business adjusts itself to social and statutory changes in the modern world. **Page 15**

Zurich General changes name of its new affiliate being organized to American Guarantee & Liability. **Page 16**

Program for the annual meeting of the Minnesota Association of Insurance Agents at Brainerd is announced. **Page 25**

The program for the annual convention of Idaho Association of Insurance Agents to be held at Sun Valley Aug. 25-26 is announced. **Page 28**

Several insurance departments issue rules and regulations for insurance of financed automobile. **Page 30**

Outline Details of Structural Continuance Cover

Takes Over Job of Building Maintenance, Eliminating Usual Waste

NEW YORK—Considerable interest has developed in the new "structural continuance" insurance announced last week, a more complete description of which is now available. The principal question which has arisen is whether it is a form of fire insurance. The answer to that is that it is an entirely new form of insurance, though written by a fire company, the Universal.

Though similar to some other forms of insurance it is unique in that it offers protection against a certainty—maintenance costs—rather than a more or less remote contingency like a fire or windstorm. At the same time it aims to take care of the hazard insured against—deterioration of buildings—at a lower cost than the owner could do it himself, so that in effect the coverage should cost the owner less than nothing.

Like Boiler Coverage

Structural continuance insurance is somewhat like boiler or machinery insurance in that the service and inspection element far overshadows the indemnity feature. It goes beyond these types of insurance in that the insurer not only inspects the properties and discovers what needs to be done but actually takes care of doing all the work.

H. O. Fraad, a New York City building maintenance engineer of long experience, evolved the idea of structural continuance insurance. As an engineer he had first-hand insight into the waste that results from owners of buildings failing to maintain their buildings properly, neglecting necessary preservation work when it could be done at nominal cost rather than waiting until it would cost several times that amount. For example, a job which would cost perhaps \$5,000 to take care today might involve an expenditure of \$25,000 if neglected for three years.

Saw Waste Prevention

Mr. Fraad saw the opportunity to save money for building owners by preventing this type of waste. The insurance feature makes it possible to offer the service at a guaranteed cost to owners of buildings. While the saving to insured will be the greatest where money has been lost through ignorance or neglect on the part of those responsible for maintenance, it is estimated that substantial savings will be possible even where there has been good management. Because of its expert engineering service, headed by Mr. Fraad, and the fact that it will exercise rigid control over contractors' quality of materials and workmanship, the Universal's new insurance will provide maintenance at the lowest possible cost.

Another feature that is expected to appeal to owners is centralized liability. In the ordinary course of maintaining his buildings an owner sometimes finds that where two or more contractors have been working on the same job each one attributes the responsibility to the other in case of anything going wrong. With structural continuance insurance, all such liability is centralized in the insurance company, which thus takes the annoyance and expense off the owner's shoulders.

As was made clear in the original announcement, structural continuance in-

Former Blue Goose Head Dies at 81 in Omaha



E. D. MARR

E. D. Marr, 81, retired state agent of the New York Underwriters, died at his home in Omaha following an illness of three weeks. Mr. Marr was in insurance work in Omaha from 1903 to 1913, and in Kansas City from 1913 to 1934. He had lived in Omaha the past five years. Mrs. Charles U. Hendrickson, whose husband is Nebraska state agent of the Home group, is a daughter.

He served as most loyal grand gander of the Blue Goose in 1920-21.

A native of Fort Scott, Kan., Mr. Marr became a special agent of the New York Underwriters about 43 years ago, with headquarters at Kansas City. At one time he covered a very large field, including Kansas, Nebraska and part of South Dakota. Later he was made state agent in Missouri. He was retired on pension 13 years ago.

After retiring as most loyal grand gander of the Blue Goose, he was in charge of the group life insurance system of the order for a time.

Insurance is neither obsolescence insurance nor the so-called property life insurance developed in recent years. Essentially, it takes over the job of maintaining the building that would ordinarily be the responsibility of the building superintendent. The building, as defined in the policy, is the structure itself, that is, all structural components. This would not include things which are not strictly an integral part of the building, such as boilers and piping.

Neither does it include the foundations, since it is considered that these are not an item of maintenance in the usual sense, being either right or wrong at the start. Plate glass and other items for which the ordinary form of insurance are available are not covered. Perhaps the simplest way of looking at structural continuance insurance is that it takes over the responsibility for the type of maintenance that is necessary to keep the structure itself from actual physical destruction.

Office Buildings Initial Market

It is anticipated that the first market will be large office buildings. The rate for each building will be fixed in accordance with an exhaustive engineering survey, since two buildings built to exactly the same plans and specifications and by the same contractors might present quite different maintenance problems, because of differing weathering conditions, or special conditions like chemical gases, or vibration or shock from nearby traffic.

The policies will be written only on a three-year term basis. The coverage will be marketed through brokers and agents in the usual way. The commission has not been finally decided on but

Commission Agents Are Now Exempt

Social Security Amendment Goes to President Roosevelt for Signature

Insurance agents or insurance solicitors whose services are compensated solely by commission, are specifically exempted from operation of the unemployment insurance section of the federal social security act under amendments adopted by Congress just before adjournment and sent to President Roosevelt for signature.

The phraseology of the exclusion provision is: "Service performed by an individual for a person as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such person is performed for remuneration solely by way of commission."

The conference committee which considered the amendment struck out the proposed new definition of "employee" under the unemployment insurance section that had been inserted by the house on recommendation of the ways and means committee to enlarge the definition of "employee" under the old age insurance provision so as to include practically everyone selling anything on commission.

Was Rejected by Senate

This passed the house but the senate finance committee voted to strike out the entire amendment and to continue the old definition of the word "employee" as in the existing act. The senate committee also was responsible for the exclusion of insurance agents or solicitors compensated solely by commissions. The committee's recommendations were passed by the senate unanimously.

Hail Insurance Has Spotty Experience

Hail insurance experience on growing crops is rather spotty this year so far. Almost all companies have had disastrous experience in Kansas where there were a number of storms. Seemingly the western part of Kansas is a hot spot from a hail insurance standpoint and many companies are putting it on the prohibited territory list. Some companies report rather high loss ratios in Nebraska and Montana and others have come through these states with fair success. The Canadian provinces show greater promise this year. The premiums in the two Dakotas have shrunk very materially. In what might be called the winter wheat sections, three factors have kept down the higher premium income that was anticipated, they being the early spring drouth, the lower prices of wheat and the competition of the Federal Crop Insurance Corporation. Under the latter a farmer can insure his crops against all hazards, a 10 year average being taken as the basis. Where a farmer has a good crop he cannot get sufficient insurance through the FCIC and therefore wants other hail insurance written.

is expected to be more or less in line with commissions on fire insurance.

Universal, the company which has introduced the new coverage, is owned by Talbot, Bird & Co., prominent New York City insurance office which acts as general agent for Universal and Universal Indemnity which it also owns. It also acts as general agent for other companies, such as the Eagle Star and Globe & Rutgers. Universal writes mainly inland marine and automobile business, and some ocean marine.

C. S. Cassell has purchased the Ditmer Insurance Agency, Greenville, O.

Full Round of Activities Slated for Grand Nest

Hour-by-Hour Details Given for Big Gathering at Cincinnati

By GEORGE E. WOHLGEMUTH

CINCINNATI—Ohio pond grand nest committee headquarters for the Cincinnati grand nest meeting will be established at Hotel Netherland Plaza, parlor G, Aug. 27. The grand nest officers will meet Aug. 28 at 10 o'clock in Parlor J, which will be open thereafter 9 to 5 o'clock daily. In the evening at 6:30, Aug. 28, there will be a Dutch treat dinner at Mecklenburg's Garden for grand nest officers and Ohio pond officers and committee chairmen.

Registration will get under way Aug. 29 in the fourth floor foyer of the hotel, beginning at 9 o'clock. The international golf tournament and Ohio pond tournament are scheduled for noon of the same day, at Western Hills golf club. A sightseeing tour has been arranged for non-golfers at 1:30. Cocktails and informal dancing follow in the evening at the Pavilion Caprice, starting at 8 o'clock.

Program Details for Aug. 30

The formal program will get under way Aug. 30 at 9:30 in the Hall of Mirrors, open to both men and women. At 12:15 a luncheon will be served for men in the Pavilion Caprice. Women are invited to play bridge and refreshments at 2 o'clock. At 5:30 all will board an Ohio river steamer for a boat ride to Coney Island, where a dinner will be served at the clubhouse.

Sessions will be resumed in the Hall of Mirrors Aug. 31 at 9:30, with a joint luncheon in the Pavilion Caprice at 12:15. The memorial service will be held promptly at 2 o'clock and doors will be closed 10 minutes later. The balance of the afternoon will be open. At 6:30, cocktails will be served at the Pavilion Caprice, followed by the annual dinner and dance at 7 o'clock.

Grand nest officers are R. W. Hukill, Great American, Norwood, O., most loyal grand gander; J. R. Knowlan, Philadelphia, grand supervisor; B. S. McKeel, General Cover Department, New York, grand custodian; C. J. Malcolm, Aetna Fire, Toronto, grand guardian; H. A. Reynolds, Home of New York, San Francisco, grand keeper, and R. A. Kenzel, Northern of London Milwaukee, grand wielder.

Horses with Sleeping Sickness

Companies writing farm insurance are watching any evidences of imposition in case of loss on account of sleeping sickness epidemic that seemingly has attacked horses in a number of localities. This is some spinal infection and has a paralytic effect. A horse dying from this malady might be said to have been killed by lightning. Hence adjusters are on the lookout for any moral hazard of this nature.

Fireman's Fund Managers to Meet

Department managers of the Fireman's Fund will hold their annual conference at the head office Sept. 5-15. Among those attending will be James F. Crafts, manager eastern department, Boston; Russell Michaels, manager southern department, Atlanta; E. D. Lawson, manager western department, Chicago; and Raymond L. Ellis, manager southern California department.



YOUR RECORD

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92 William Street, N. Y. C.
CHICAGO OFFICE: 209 West Jackson Boulevard
SAN FRANCISCO (Fire 425 Montgomery St.
OFFICES: (Marine 222 Sansome St.



NEWS OF FIELD MEN

Matthews Goes with Boston, Old Colony

R. V. Matthews has been appointed special agent of the Boston and Old Colony in western New York with headquarters at Rochester. He succeeds A. B. Parker, Jr., who was recently elected assistant secretary and transferred to the head office in Boston. In 1929 he joined the marine department of North America in Chicago and after two years he was transferred to the Continental's marine department at its head office, later being sent to central New York acting as inland marine and automobile special agent for all companies in the America Fore group. Later he was transferred to the head office where he spent a year specializing in inland marine and then was assigned to New York with Rochester as headquarters as special agent for the fire and allied lines of the Continental and Maryland.

Haage Heads Michigan Group

DETROIT—The executive committee of the Michigan Fire Underwriters Association has been appointed by President C. A. Dafoe, North British & Mercantile, as follows: G. H. Haage, Norwich Union, chairman; C. L. Zook, National of Hartford; C. C. Ippenlatz, United States Fire; F. H. Pierson, Lansing, American of Newark, and R. H. Wood, Grand Rapids, Home.

Cooper with the Republic

The Republic of Dallas announces the appointment of Wm. A. Cooper as special agent in the west Texas territory with headquarters at Lubbock. He has had a wide experience which includes five years as partner and manager of a local agency, and for the past three and one-half years he has supervised a large territory as special agent for J. D. Kitchen & Bro., New Orleans general agents.

Joins "Pacific Insurance"

John Young, formerly with the Firemen's of Newark group at Seattle, has been appointed northwest manager of the "Pacific Insurance" magazine of San Francisco with headquarters at 407 Marion building in his city. Before going with the Firemen's group he was special agent of the Liverpool & London & Globe in the Sacramento valley in California.

Resume Iowa Luncheons Sept. 11

J. W. Hull, state agent America Fore, most loyal gander of the Iowa Blue Goose, announces that the pond will resume its Monday luncheons Sept. 11 at Hotel Chamberlain in Des Moines.

P.M.L.G.'s Conduct Initiation

The Kansas Blue Goose held an initiation in Topeka, conducted entirely by past most loyal ganders last month for Clyde Latchem, state fire marshal, and J. D. Sheehan, Kansas Inspection Bureau. Past most loyal ganders participating were O. D. Butcher, Hartford; N. K. Nelson, Great American; V. E. Herbert, National-Ben Franklin; H. T. Stephens, North America; C. E. Bleckley, Northern; L. B. Burt, Preferred Fire; J. F. Springer, Western Adjustment; W. F. Ehret, America Fore, and J. G. Updegraff, Royal-Liverpool.

The first issue of "The Honk," a new sheet of the Kansas pond made its appearance last week, edited by Byron Ward, special agent, Glens Falls.

H. L. Reilly Transferred to Seattle

H. L. Reilly, special agent for the New York Underwriters in Montana, is being transferred to Seattle, Wash., to fill the vacancy recently created by

the death of Harold A. Logan, who was special agent there.

Georgia Committee Chairmen

C. M. Ramspeck, Home of New York, has been appointed chairman of the advisory committee of the Georgia Blue Goose; John W. Morris, Jr., entertainment; Clarence Reese, memorial; M. R. Magruder, "Insurance Field," educational; M. E. Bleakley, Atlas, membership; Bockover Toy, Scottish Union & National, visiting. Carl H. Lippold, Hartford Fire, is made captain of the guards.

NEWS BRIEFS

Emmer Whitehorn, special agent Aetna Fire in Michigan under State Agent G. R. Livingston, has transferred his headquarters from Detroit to Petoskey, which places him closer to his territory.

Georgia State Agent Clarence R. Ruse of Aetna Fire at Atlanta will observe 30 years of service for his company August 15. The three decades have been spent entirely in Georgia. Prior to his Aetna representation, Mr. Ruse was in the Mississippi and Louisiana fields for the old southern department of Royal.

R. B. Lathan of Wichita, Kansas state agent of the North America companies, has moved the Kansas survey department, in charge of Mrs. A. Lewis, from Kansas City to Wichita, where larger offices have been secured at 615 Fourth National Bank building.

William F. McKee, state agent Home of New York in Montana, is spending the month in the New York office.

The Blue Goose weekly luncheons at "Jimmy Hall's" in Detroit on Mondays have grown to be such an institution that even though officially the luncheons have been suspended until September, a half dozen to a score of field men and company officials have been meeting each week during the summer.

Walter H. Wolf, American of New Jersey, most loyal gander of the Michigan Blue Goose, has returned from a visit to Europe.

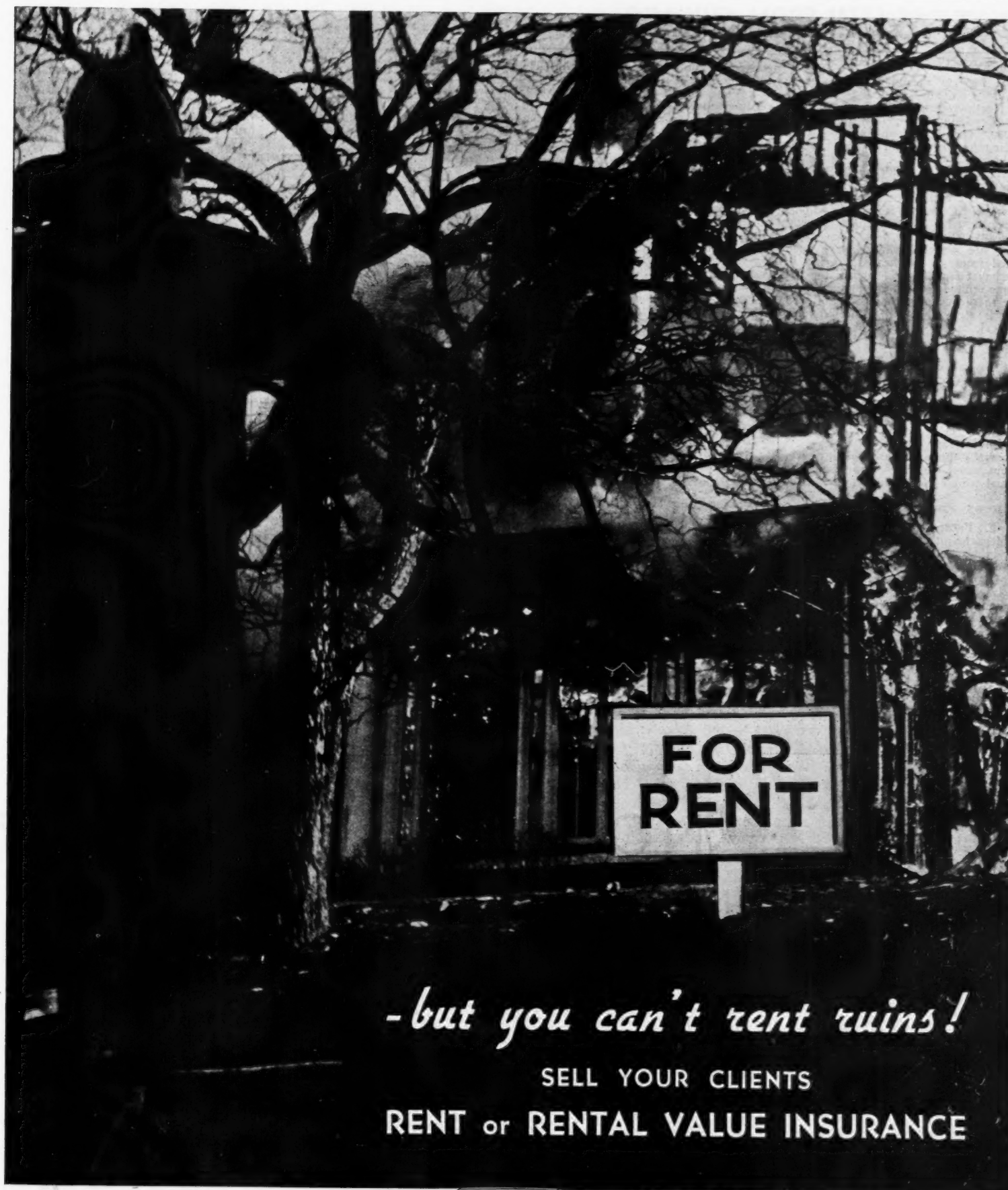
The Michigan Fire Prevention Association plans an inspection of **Ann Arbor**. J. W. Mundus, Ann Arbor agent and former president of the Michigan Association of Insurance Agents, heads the local arrangements committee. R. E. Vernor, Western Actuarial Bureau, will speak.

St. Louis Board Broadcasts Now Available to Others

The series of 19 "Captains in Peril" broadcasts introduced over the air by the St. Louis board will be made available to other boards by Briggs A. Hoffmann, vice president and sales manager of the Lawton-Byrne-Bruner agency of St. Louis, originator of the program. Mr. Hoffmann has completed arrangements for the preparation, production and transcribing of the first series of episodes of the program which has created much interest in St. Louis. The stories which have proved most popular in St. Louis will be augmented by additional material taken from the files of the leading stock companies and agents all over the country. Each incident depicts an actual dramatic case where stock insurance has proved of inestimable value to a man in business who might otherwise be ruined by hazards that too many do not foresee in time.

The new series will be entitled "Stitches in Time," and will be distributed by Briggs Hoffmann Features, Pierce building, St. Louis. The first two episodes are being recorded now and will be available within 30 days.

The **Columbus (O.) Hospital Service Association** has changed its name to the Central Hospital Service Association.



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BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

AS SEEN FROM CHICAGO

MALT PLANT LOSS \$95,000

The loss to the plant of Hales & Hunter Company, Chicago, formerly the Northwestern Malt & Grain Co., 4600 Cortland street, is estimated at \$95,000. Of this amount, \$60,000 is on building and equipment and \$35,000 is on the grain.

Critchell, Miller, Whitney & Barbour carried insurance of \$740,000 on the building and equipment and \$600,000 on the stock. Coverage is split among 50 companies, the largest single amount being \$85,000.

The fire was believed to have been started from an overheated bearing in an exhaust fan. The fittings of the fan became ignited and the fire jumped from there to the wooden roof covering seep tanks located nearby. It then traveled 200 feet along a conveyor bridge to the concrete work and storage house.

Contrary to newspaper reports, the plant was not closed down for the summer, but was operating to meet an order for a special type of malt containing about 3½ instead of the normal 5 or 6 percent of moisture. To fill the order 25,000 bushels of grain had been taken from the storage tanks.

Normally the malt season begins early in September, continues throughout the fall and winter and closes about May 1.

WORK ON FIRE PREVENTION

R. E. Vernor, manager fire prevention department Western Actuarial Bureau, in transmitting his report for the year ending July 31 says the total number of inspections is less than last year due largely to the failure of Kansas, Oklahoma and Wisconsin to cooperate. In spite of this he said the field men reached over 100,000 school children and 8,000 policyholders at public meetings. Over 13,000 fire hazards were corrected. There were 61 city and

town inspection campaigns held. The total number of risks inspected was 12,660. The number criticised was 9,869, recommendations made 30,671. Of the percentage criticised 79 percent of the risks were found defective. The average percentage of compliance was 42 percent.

There were 1,517 talks made to a total audience of 369,694 during the year. In addition there were a number of radio addresses. The reduction in total speaking figures as compared with a year ago is largely accounted for by the fact that Harry K. Rogers was ill a good part of the time and he could not put on his clown act for school children. He is now restored to health and is again available for work.

Mr. Vernor gave 74 talks to 24,157, Mr. Rogers 13 to 4,100 and J. Burr Taylor, 72 to 15,549.

HARRY JOHNSON IN NEW POST

Harry T. Johnson, who has been prominent in the Chicago and Illinois field for a good many years, has joined the Harrison-Brewster agency of Chicago as special agent, working in the Cook county plant. Mr. Johnson until recently was with the Wiley, Magill & Johnson agency of Chicago and before that for several years was Illinois state agent for Globe & Rutgers. He is a brother of Sam T. Johnson, who is Chicago manager of Globe & Rutgers. Harry Johnson has an extensive acquaintance in the business and has had much valuable experience.

CHICAGO FIRE FIGURES REPORTED

More than 100 additional companies in the last two weeks have reported to the city comptroller's office their fire premiums written in the city in the 12 months period ended June 30. Com-

parative figures over the last three years are:

	1939	1938	1937
Aetna Fire	\$355,920	\$425,429	\$385,314
Allied Am. M.	8,814	4,848	.....
Amer. Alliance	45,077	39,738	48,296
American Home	24,206	8,995	.....
Anchor	6,932	7,117	9,546
Arkwright M.	9,157	9,090	7,035
Atlantic Mut.	3,681	.....	.....
Atlas Assur.	77,466	73,845	67,044
Berkshire Mut.	1,405	322	.....
Blackstone Mu.	15,459	8,634	7,973
Boston	45,518	50,479	55,401
Boston Mfrs. M.	18,769	14,681	10,005
Camden Fire	50,126	48,223	57,972
Cent. Sur. Fire	382	166	.....
Charter Oak	5,180	8,717	3,917
Commerce	21,540	27,633	50,463
Concordia	57,134	52,194	51,605
Comm. Un. Eng.	91,563	94,484	112,997
County Fire	7,250	13,695	18,686
Detroit F. & M.	50,870	50,722	62,140
Dubuque F. & M.	137,561	154,957	174,468
Eagle Fire	15,154	10,739	13,246
Employers Fire	22,265	26,428	32,699
Fall Riv. Mf. M.	5,318	4,045	2,735
Farm. Fire, Pa.	22,065	34,757	27,285
Fire Assoc.	113,033	115,629	109,571
Firemen's	109,357	107,565	79,482
Fireman's Fund	145,082	141,180	174,019
Fid. & Guar.	137,696	143,639	167,327
Firemen's Mut.	.....	.....	.....
R. I.	144,147	40,577	32,145
Franklin Nat.	39,200	43,198	47,781
Fulton Fire	556	6,181	.....
Genl. Exch.	22,766	25,008	41,584
Girard F. & M.	184,796	212,363	235,347
Glens Falls	139,556	172,340	164,465
Globe & Rut.	27,106	35,480	42,290
Great Amer.	165,387	149,888	191,521
Granite State	34,373	25,008	23,344
Grain Deal.	.....	.....	.....
Natl. M.	8,121	.....	.....
Home F. & M.	47,813	40,162	49,874
Hardw. Mut.	.....	.....	.....
Minn.	24,680	33,153	18,696
Ind. Lumb. M.	11,710	17,200	19,844
Imp. Deal. M.	16	753	.....
Lumberm's Pa.	17,381	21,600	10,113
Mill. Mu. Tex.	6,838	3,433	.....
Millw. Mech.	154,360	173,289	199,680
Mich. F. & M.	39,610	38,936	47,405
Mass. F. & M.	11,365	8,043	6,988
Mill Owners M.	7,837	15,796	17,141
Mercury	84,362	37,632	22,558
Mich. Millers M.	9,781	22,225	19,855
Mech. & Trad.	15,196	15,339	.....
Minn. Imp. Mu.	24,680	33,153	18,696
National, Conn.	310,925	271,938	315,784
New England	8,919	6,826	7,743
Nat. Ben. Fr.	40,254	48,637	50,178
New Hamp.	46,468	43,332	46,033
Ohio Und. Mut.	2,189	2,327	.....
Ohio Casualty	2,054	1,830	1,118
Ohio Hardw. M.	294	753	954
Occidental	25,103	21,595	18,704
Old Colony	19,601	20,362	22,939

	1939	1938	1937
Pawtucket Mut.	3,361	4,043	7,425
Paper Mill M.	1,877	1,347	809
Prov. Wash.	98,909	87,290	96,872
Phila. Nat.	13,505	12,898	18,601
Piedmont Fire	1,446	2,254	667
Phoenix Assu.	.....	.....	.....
Eng.	82,358	91,572	111,875
Pa. Lumb. M.	20,002	20,682	36,666
Reliance	33,416	42,105	57,495
Roch. Amer.	9,407	8,648	10,029
Sentinel Fire	33,416	58,725	60,946
Springfield	195,906	228,464	249,653
State of Pa.	20,434	41,524	39,617
St. Paul F. & M.	142,540	141,286	150,965
Transcontinent	38,253	.....	.....
Trinity Univer.	3,381	4,471	3,018
Travelers	120,685	130,320	143,128
United Mut.	.....	.....	.....
Mass.	58,612	.....	.....
Universal	14,175	11,521	11,668
Worc. Mfgs. M.	5,318	4,048	2,663
World F. & M.	39,134	43,437	46,749
West'n Mill. M.	6,998	.....	.....

O'MAHONEY TO DISCUSS U. S. PROBE

U. S. Senator Joseph C. O'Mahoney, chairman of the senate monopoly investigation, will speak in Chicago, Aug. 14, on "The Temporary National Economic Committee," telling what it has accomplished, as he sees it, and what it hopes to achieve in the study of the American economic situation. This will be a lecture in a series conducted by the National Institute at Northwestern University. H. C. Atkinson, administrator Ohio Bureau of Compensation, will speak Aug. 16 on "Unemployment Compensation and Its Future."

CORRECTION IS MADE

In referring to the appointment of John Rosko as the new Chicago manager of St. Louis Fire & Marine, THE NATIONAL UNDERWRITER inadvertently at one point identified the company as St. Paul Fire & Marine. B. E. Moreau is Chicago manager of St. Paul F. & M.

OUTING OF 26 CLUB AUG. 24

The 26 Club of Chicago, brokers' discussion organization, will hold its annual outing Aug. 24 at Bon-Air Country Club near Wheeling, Ill. There will be a golf tournament and other entertainment features.

★ NORTH STAR REINSURANCE CORPORATION

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Items from Financial Statement of March 31, 1939:

CAPITAL	\$ 600,000.00
SURPLUS	1,330,094.49
LOSS RESERVE	293,874.42
PREMIUM RESERVE	2,128,694.75
ALL OTHER LIABILITIES	45,760.15

TOTAL ADMITTED ASSETS . . \$4,398,423.81

Securities carried at \$374,539.24 are deposited
in accordance with law.

Fire and Allied Lines Reinsurance

NEW YORK

LA GUARDIA WANTS RATE CUT

Mayor La Guardia of New York City has requested Superintendent Pink to make an investigation to determine whether fire insurance rates in the city cannot be reduced. The mayor contends that the rate reductions in recent years have not kept pace with the cut in fire losses. In 1928, according to the mayor, the fire losses in New York City were \$16,624,381 and the average loss per fire was \$640.70. In 1938, he said, the total loss was \$7,878,335 and the average loss per fire \$273.75. The per capita loss was \$2.48 in 1928 and \$1.05 in 1938.

"It is manifestly unfair," the mayor wrote, "that all the benefits of improved service in fire fighting should go to the fire insurance companies and not to the property owners and tax payers."

OPEN N. Y. INSPECTION BRANCH

The factory mutuals have opened a branch inspection office at 52 Vanderbilt avenue, New York. This office will be in charge of W. D. Bullard, who has been in the inspection department of the factory mutuals since 1920, serving first in Chicago, then Cleveland and since 1933 as northern New Jersey resident engineer.

PAGEANT TO MARK FIREMEN'S DAY

Volunteer firemen's national muster day at the New York Fair Aug. 15, will present a colorful and spectacular pageant. A parade embracing some 20 units of century-old fire apparatus, hand-pumpers and hose reels drawn by 500 firemen in uniform will be reviewed at the Pennsylvania building by President G. A. Whalen of the fair and officials of the North America, sponsors of the pageant, who will greet "Benjamin Franklin," the first American volunteer fireman, at the head of his company.

Prior to the parade a luncheon is planned at which Chairman Benjamin Rush and President John O. Platt and other officials of the North America will meet Mr. Whalen and the fair executives.

COMPANIES

St. Louis Fire & Marine Rearranges Capital Setup

ST. LOUIS—Under a rearrangement of its capital structure the St. Louis Fire & Marine has added \$205,500 to its surplus. The capital was reduced from \$270,000 to \$175,500 by reducing the par value from \$10 to \$6.50 a share. The \$94,500 thus pared from the capital setup was transferred to surplus.

The company then authorized the issuance of 37,000 shares of \$1 per share preferred stock, thus bringing the capital back to \$212,500. The new preferred stock, all of which has been subscribed, was sold at \$4 per share, \$3 of each share or a total of \$111,000 plus, being credited to surplus.

The arrangement has been approved by the Missouri department.

Six Months Statement

The Providence Washington as of July 1 showed assets \$14,486,596, premium reserve \$4,538,590, contingency reserve \$250,000, capital \$3,000,000, net surplus \$5,717,448. The underwriting operations for six months show a statutory profit of \$43,468.

Firemen's Figures Given

The Firemen's of Newark group shows total premiums for the six months of \$18,852,316 compared with \$18,012,275 the first half of 1938. This includes the casualty as well as the fire premiums. Both classes showed gains, the fire companies' volume being \$10,-

706,327, gain \$300,000; casualty \$8,145,989, gain \$550,000. The fire loss ratio was 47.34 as compared to 42.93 in 1938. The expense ratio was 54.7 as compared with 53.9. The casualty companies' loss ratio was 45.35 as compared with 39.31. The expense ratio was 41.74 as compared with 41.26. Taking the entire fleet, the combined losses and expenses were 95.58 compared to 89.98.

The Central States Fire has entered Arkansas with Clyde B. Hamilton of Little Rock as state agent.

Richard Halliwell has purchased the agency of the late Walter E. Shannon in Wakefield, R. I.

Illinois Department Fetes Veteran of 41 Years

About 200 employees of the Illinois department participated in an all day outing, dinner and dance at Nelson Park on Lake Decatur near Decatur, Ill., in honor of Guy W. Hubbard, supervisor of taxes, who has been connected with the Illinois department 41 years. Ernest Palmer, insurance director, presided at the dinner. The employees took advantage of the occasion to show their appreciation to Mr. Palmer, as well, by presenting him with an outdoor steak grill. Mr. Palmer responded and then

he introduced Mr. Hubbard, who was presented with an electric razor. Mr. Hubbard went to the department from Pittsfield, Ill., where he had been a clerk in a general store.

At the guest table with Mr. Hubbard sat all of the employees in his division, Mr. Palmer, R. W. Troxell, prominent local agent of Springfield, and Arthur O'Brien, secretary to Governor Horner, who spoke briefly.

Martin Vold, Jr., special agent for Springfield F. & M. in Columbus, O., was a visitor in Chicago this week, renewing acquaintances. He visited the Chicago office of the Springfield and the Western Actuarial Bureau.

"What kind of business is this...?"

During July and August there will appear in several national magazines, over the signature of the National Board of Fire Underwriters, an advertisement headed "What kind of business is this... that spends money to charge less?" It emphasizes that the good citizenship of capital stock fire insurance in its expenditure of energy and money to reduce fire hazards and prevent loss of life and property, also has brought about a present average fire insurance rate 40% lower than in 1907. Why not study the advertisement and, personally, convey its contents to your customers? This is the sort of information which will keep your customers sold on the quality of the protection you sell!



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The ANALYZER contains 90 pages and embraces all common forms of Fire and Casualty insurance and Suretyship. An index makes every page easy to find. Complete instructions for use are found in the introduction. Spiral bound, it lies flat and the large, clear type makes reference easy while examining policies. Included in the volume are a suggested survey information blank and illuminating comment on the different forms of Group insurance.

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Haid's Testimony Is N. Y. Feature

(CONTINUED FROM PAGE 1)

the following day, after Mr. Street had told his story in that city.

Assurance was given by Mr. Street, as Mr. Haid recalled, that when the litigation was finally cleared up, a full accounting would be made each company, and proper credit given the offices contributing to the \$100,000 fund. The compromise, which at that stage was projected on the basis of a 10 percent refund to policyholders and 90 percent to the companies Mr. Street said embraced a rate reduction program in the state and the introduction in Missouri of various liberalized coverages.

Mr. Haid said he was out of the city May 16, 1935, when W. H. Koop, president of Great American, received a telegram from Mr. Street, who was vice-president of Mr. Koop's company, saying that the 90-10 arrangement had collapsed, but that an 80-20 distribution would be acceptable to those with whom he was negotiating. Mr. Street asked Mr. Koop to get the consent of certain company officials to the change. Mr. Koop transmitted that request to J. D. Erskine, secretary of the Executives association, asking Mr. Erskine to carry out Mr. Street's wishes. This, Mr. Erskine did, and it was finished business when Mr. Haid returned to New York, the witness testified.

Names Street's Conferees

The fact that Mr. Street got in touch with Mr. Koop rather than with the I. E. A. should establish, Mr. Haid said, that neither the I. E. A. nor Mr. Haid had anything to do with the compromise.

Mr. Haid testified that those whom Mr. Street asked to have invited to the May 2 meeting were: Wilfred Kurth, Home; the late Ernest Sturm, America Fore; B. M. Culver, America Fore; Harold Warner, Royal-Liverpool; F. W. Koeckert, Commercial Union; H. T. Cartledge, Royal-Liverpool; R. P. Barbour, Northern of London.

Another Parley in 1936

In March, 1936, Mr. Street asked Mr. Haid to assemble another group of executives for a meeting in New York. At that meeting Mr. Street reported that the trustees (Mr. Street and R. J. Folonie, Chicago attorney) were prepared to distribute to companies an amount equivalent to 11 percent of the impounded premiums. The trust was created from an amount equivalent to 30 percent of the impounded premiums. Mr. Street said that he needed about \$350,000 for expenses and that this amount plus the \$100,000 that he collected the previous year would amount to about 5 percent of the impoundings. As the companies received the 11 percent dividends, he requested that they send back to him checks amounting to 5 percent of their impounded premiums, less any amount they may have advanced toward the \$100,000 fund of 1935. Mr. Haid said that he heard no one ask why the money for expenses was not taken from the 30 percent fund directly.

Some of the 11 percent checks were delivered and the 5 percent checks collected by Mr. Haid, who stated he visited two or three companies in Philadelphia, and several in New York. Mr. Erskine got in touch with other companies.

His connection with the matter, Mr. Haid stated, was merely an act of courtesy; the Insurance Executives Association as such had nothing whatever to do with it.

Refers to Street-Folonie Difference

Pressed by Frank Hollingsworth, counsel for the Missouri department, as to whether he could conceive of any reason for raising money for legal expenses, when the trustees already had more than \$2,500,000 from which such costs could be drawn, Mr. Haid reluctantly stated he could. He was aware, he said, that feeling existed between Mr. Street and Mr. Folonie, who had been

attorney in the proceedings for years, and it occurred to him that possibly Mr. Street had in mind the engagement of other counsel. While Mr. Street favored compromising the case, Mr. Folonie, on the other hand, objected strongly to any such procedure, feeling the companies had a clear cut case, and he was confident decision in their favor would be given. The difference of opinion created bitter feeling, the existence of which, Mr. Haid said, was seemingly known to many in Chicago.

To the frequent inquiry of attorneys for the state as to whether company executives made any effort to learn why further alleged legal expenses were necessary, the uniform response was that every confidence was had in the ability and the integrity of Mr. Street, and that it never occurred to any to question his action. Moreover, there was his oft given assurance that a full accounting would be made once the litigation was finally disposed of.

Tells Purpose of I. E. A.

Answering the query of Mr. Barnett as to his connection with the Insurance Executives Association, the general purpose of the organization and the part, if any, it had in the Missouri case, Mr. Haid submitted that he had been president of the association since its formation in 1931; its primary function is to advance the interest of stock fire insurance; coordinate the activities of the four regional governing bodies together with those of the National Automobile Underwriters Association, and in general, to better underwriting conditions. An extract from the constitution, summing up its essential purposes was handed Mr. Barnett and became part of the record.

As the I. E. A. has nothing to do with rate making, Mr. Haid stated, it had taken no part in the Missouri litigation, the handling of which was left entirely to the Subscribers Actuarial Committee of which Mr. Street was chairman. When he accepted the presidency of the association, Mr. Haid testified, he complied with a suggestion of its trustees that he sell all insurance stocks he then held, and refrain from making any other such purchases while in the employ of the organization. He likewise agreed not to serve as a director of any insurance company.

Before assuming the presidency of the association Mr. Haid was president of the America Fore companies. As president of Fidelity-Phenix, an America Fore company, he succeeded Mr. Street. Before that he was under Mr. Street's authority. While so serving he learned to appreciate the ability as well as the integrity of Mr. Street, a feeling that remained unchanged through the years, he testified.

Testimony of Erskine

Mr. Erskine, who preceded Mr. Haid as a witness, testified to delivering a number of 11 percent checks and of soliciting checks for 5 percent. All of the 5 percent checks were forwarded to Mr. Street at Chicago. In asking for the 5 percent contribution Mr. Erskine told each executive the money was for "legal expenses," but exactly what these were he did not know, accepting as did Mr. Haid, the assurance given by Mr. Street.

At previous day's session J. M. Thomas, president of National Union Fire, in answer to the question why concern was not displayed by company executives as to the progress of the Missouri litigation, declared that it was, and long had been, the practice in the business, to assign the handling of particular problems of common interest to committees, members thereof being selected for their assumed competency, and that when such assignments were made company executives paid no further attention to them until settlements were reached, or a condition arose in which the views of others were desired. If, Mr. Thomas said, company executives were

to charge themselves as to the constant progress of committee assignments, they would have no time left in which to handle affairs of their own offices. The fire insurance business, as well as that of other important industries, he declared, was conducted in large measure upon "faith." He advanced as a response to another inquiry as to whether he did not consider the payment made by his company to Mr. Street, an important



JOHN M. THOMAS

matter and one worthy of following up, that the payment was relative. National Union, he pointed out, with total assets in excess of \$16,000,000, paid out in losses every day amounts considerably beyond the sum represented by the 5 percent contribution, and it is impossible for any supervising official to carry such items in his mind constantly.

Tells Feeling for Street

Mr. Thomas said he had known Mr. Street intimately for many years; had been associated with him in the affairs of the Western Underwriters Association, and throughout the years had never known Mr. Street to resort to or to sanction a tricky move.

In sending Mr. Thomas an 11 percent check and requesting in turn a remittance for 5 percent, Mr. Street stated he would tell Mr. Thomas of developments in the Missouri case, when he met him at the White Sulphur Springs meeting of W. U. A., then two weeks off. Illness prevented Mr. Thomas from attending the meeting.

FEATURES OF QUIZ

The drive of the attorneys in their endeavor to learn whether any executive had knowledge of the slush fund distributed by Mr. Street became rather monotonous and Master Barnett, tiring of the same questions finally stated in the absence of proof to the contrary it would be assumed that none of the persons distant from Missouri were acquainted with T. J. Pendergast, Kansas City Democratic political leader; R. E. O'Malley, former Missouri superintendent, and A. L. McCormack, St. Louis local agent, who divided the \$450,000 that they got from Mr. Street.

The department attorneys made quite

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a point in the testimony of F. W. Koeckert, manager of the Commercial Union, of the allocation of the 5 percent money on the books. The payment was charged to "N. B. & L. B. (National Board and Local Boards)."

The attorneys charged in heavily on Mr. Koeckert, alleging that this was an absurd allocation of expense and stated that seemingly it was made that way for no other reason than to evade the actual reason for the payment or to becloud the issue.

Some of the points in the testimony of President Koop of the Great American are interesting. He brought out the fact that when Mr. Street was dropped from the presidency of the Fidelity-Phenix, C. G. Smith, then president of the Great American, concluded he would be an excellent man to handle that company's western department. The result was that Mr. Street went with the Great American at a salary of one-half of what he had received as president of the Fidelity-Phenix but with a contingent commission agreement. Because of the latter feature he insisted that he be left untrammelled in handling the business of his territory, desiring to go along his own way and insisted there should be no interference of any kind from the head office. That was acceded to.

Accused Street of Prevarication

Mr. Koop pressed Mr. Street for particulars as to the progress of the Missouri litigation but declared he could get little of value from him. He was forced to let it go with this rather unsatisfactory situation although apparently Mr. Street's attitude irked him. Just prior to or at the time of the meeting in President Haid's office, when the \$100,000 fund matter was taken up, President Koop said that Mr. Street assured him that he had been to Hartford and had secured cooperation from the executives in that city. "This statement I have since learned," said Mr. Koop, "was untrue."

Mainly it can be said that the responses of the officials as a whole were straightforward. The fact was brought out that they were exceedingly tired of the long drawn out litigation in Missouri and they were more than satisfied to have Mr. Street direct the supervision and hence responded without question to the appeal for the 5 percent contribution.

Those following the proceedings cannot be but impressed with the great fairness of Master Barnett. He insisted always that witnesses, particularly when they became so much confused, be free to tell their stories in their own time and way. Frequently he endeavored to straighten them out, appreciating what they intended to convey. Attorney Bullitt is a master of his craft. Sometimes he appeared to be dozing as the monot-



HART DARLINGTON

onous quizzing went on but nothing escaped him. He was quick as a flash to check any false move on part of the opposition.

One of the amusing features was brought out when H. J. Wyatt, vice-



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sense which cuts red tape to
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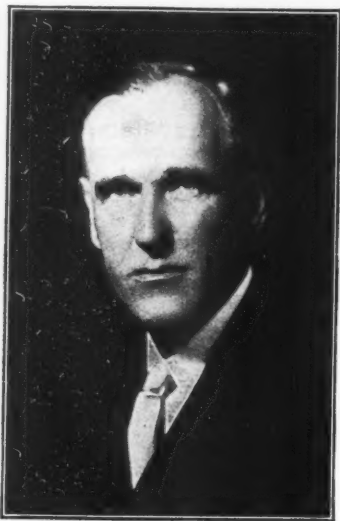
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president Crum & Forster companies, was on the stand. The check for that office was given Mr. Street as agent but was endorsed by him to R. J. Folonie and deposited to the credit of Hicks & Folonie. It was brought out that the Crum & Forster check was \$5,000 less than 5 percent of their total impounded premiums. Master Barnett on the side stated that "if Tom Pendergast learns of that he would insist that the company come across to him and so relieve the hardships of a penitentiary term." Pendergast and O'Malley are serving sentences in Leavenworth for violation of the federal income tax—failure to report what they received from Mr. Street.

President B. M. Culver of the America Fore is on a trip abroad and expressed his willingness to go to Kansas City to testify on his return.

Among the witnesses heard towards the end of the week were: Paul B. Sommers, president American; Theodore Plessner, president Northern of New York; G. S. Allen, chief accountant Svea Fire, responding for United States Manager J. M. Wennstrom, who is confined to his home with a bad heart, and is not expected at the office before Oct. 1; Henry J. Wyatt, vice-president Crum &



PAUL B. SOMMERS

Forster companies (appearing in the absence of J. Lester Parsons, who is vacationing in Hawaii); Frank B. Martin, former United States manager of Yorkshire, and S. C. Klein, superintendent of agents Tokio Marine & Fire.

Others were: Gustavus Remak, Jr., and J. J. P. Rodgers, State of Pa.; W. C. Dent, Potomac; Sheldon Catlin, North America; Hart Darlington, Norwich Union; A. T. Tamblin, Lincoln Fire; Louis Moeckel and W. H. Emes, America Fore.

C. F. Shallcross, U. S. manager North British & Mercantile, was quickly excused, his companies not being concerned in the federal case. In so far as the famous meeting at Mr. Haid's office was concerned, he had no knowledge of it, being in London at the time, and only learning of mention of his name among the group of "big boys" in Street's wire, being when he read of it in the papers last week.

Usual Line of Inquiry

The New York hearings were held in the trustees room of the Insurance Executives' Association on the thirty-fifth floor at 116 John street. The heat was extreme and the attorneys, master and newspaper men worked in shirt sleeves. Anxious to speed the hearings, so that all evidence would be ready for submission to Mr. Barnett so that he can make his report to the court by Oct. 1, the hearings were called promptly at 9 each morning, continuing usually until 5 p.m., with an hour out for lunch. Each witness was questioned by one of the three attorneys for the Missouri department. From a table piled high with photostatic copies of checks, letters, book records, and other material questions were plied.

The usual line of inquiry, after devel-

oping the connection of the witness with his company and whether he held such position in 1935 and 1936, was as to his knowledge of the terms of settlement reached under the Missouri compromise, whether he had known Mr. Street personally, or had any conversation or correspondence in connection with the Missouri litigation, with him; whether, in responding to the request for a check for 5 percent it did not occur to him to push the inquiry as to why such money was necessary in the light of the large sum held by Street and Folonie as trustees, and to be used to defray legal costs both of the state and companies, and whether the method of handling the 11 percent dividend and the return checks, seemed unusual.

With scarcely a variation, the responses were that while the witness knew in a general way of the terms of the compromise agreement, having been so informed through the medium of a circular letter from the Missouri Inspection Bureau, none had charged his mind with it particularly, content to leave the handling of the whole matter with the Subscribers Actuarial Committee.

As the delivery of the dividend check and the request for the 5 percent check came from Mr. Haid's office, and as every confidence was felt in any statement emanating from such source, the mention that the money was required for legal expenses was deemed satisfactory.

No hesitation was made by any witness in giving his testimony, nor was there any attempted evasion.

Some Accountants Ill at Ease

While most of the executives were at ease in the witness chair, some of the accountants called to testify as to details of check drawing and account charging were somewhat self-conscious and gave confused answers. Mr. Barnett frequently restated the answer succinctly, voicing what the witness intended to convey. This was characteristic of the fairminded attitude displayed by Mr. Barnett throughout the proceedings. Allowing attorneys for both state and companies to put all proper questions and to insist upon answers, he did not hesitate to check any move considered irrelevant.

Although not an insurance man, Mr. Barnett grasps quickly the intricacies of the business and its relationships. As a young man Mr. Barnett studied law in the office of his father, it having been a tradition in the family for several generations that at least one son would enter the legal profession and equip himself by studying in the office of his father, rather than taking a course at a law school.

Of counsel for the state, Mr. Hollingsworth is the hard hitter. His associates, C. L. Henson and Lawrence Holman, put their questions less intensely. Hollingsworth, when offered the slightest opening, wades in and handles the witness without gloves.

Bullitt Takes Exception

The companies' counsel, W. M. Bullitt, D. M. Murphy and Homer Berger, follow every move attentively. Mr. Bullitt is prompt to take exception to any question he deems unfair.

Of each company officer Mr. Bullitt asked, "Had you any knowledge that the money contributed by your company was to be used in any way to corrupt a public official of Missouri, or any citizen of that state?" The emphatic reply was always: "I did not."

An expression frequently employed by Mr. Street in his wires and letters concerning the Missouri litigation was "the big boys" in the east. Attorneys for the state kept asking witnesses whom they thought Mr. Street had in mind as being "big boys." Mr. Barnett stated the term is applicable to the larger company officials. "Let it go at that," he told the attorneys.

While differences arose from time to time during the hearings, the attorneys for both sides got along well together. Occasionally, when a tense moment occurred, it was relieved by a "that reminds me of a story" by Mr. Bullitt,

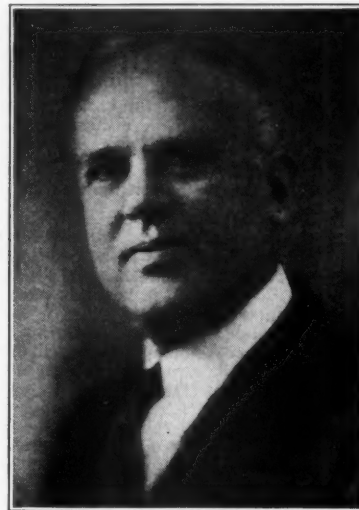
who apparently has a story to fit any case and tells it admirably.

Mr. Bullitt has a summer home at Lenox, Mass., within easy motoring distance of Hartford, where further hearings took place this week.

SIDELIGHTS ON HEARING

Interest is taken in an interpretive article on the hearing in New York on the Missouri rate case by John M. Francis in the New York "Journal of Commerce." He referred to the fair attitude being manifested by the special master, P. V. Barnett.

"We are here on an inquiry searching these people's minds," Mr. Francis quoted Mr. Barnett as saying. "We already know what happened." Several times during the week, Mr. Francis observed, Mr. Barnett asked witnesses to



F. W. KOECKERT

explain to him the psychology which caused them to turn over the various amounts to Mr. Street.

Mr. Barnett remarked that he was particularly impressed with the evident sincerity of H. G. Casper, U. S. manager of Eagle Star. Showing that he fully realized what a mess the insurance companies had gotten into because the money had been turned over to Mr. Street, Mr. Casper bowed his head and said he now realized that he had been much more foolish than he ever thought he would be. Mr. Barnett said that was the natural reaction of an honest man.

Mr. Barnett also expressed sympathy for F. W. Koeckert, U. S. manager of Commercial Union, when the latter nearly broke down during his testimony. Mr. Street years ago gave Mr. Koeckert the opportunity to go to Chicago and begin the rise which brought him ultimately to his present position. With tears in his eyes he said he would have given Mr. Street the cash box without question if he had asked for it.

NEWS BRIEFS

President E. L. Flippen of the Gulf group, Dallas, Tex., has been visiting the Pacific Coast department offices in Los Angeles.

Headquarters of the Insurance Board of Cleveland have been moved to 1830 Williamson building. There is no change in telephone, Cherry 5718.

The custom was started a few years ago by the friends and associates of Harvey B. Nelson, Jr., well known Jersey City local agent, to honor him with a dinner and outing on his birthday, Aug. 14, at Bear Mountain, N. Y. Plans are completed now for the event this year.

J. A. Blainey, formerly president Cosmopolitan Fire and more recently in charge of promotion of the Hotel Croydon, New York City, has resigned to take a similar position with three midtown hotels—the White, the Salisbury and the Woodward.

Hold Two Day Hearing in Hartford on Missouri Case

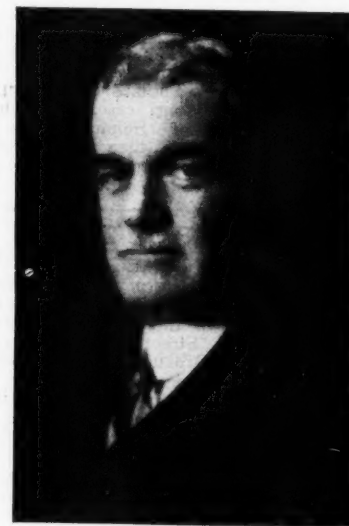
(CONTINUED FROM PAGE 1)

meeting in this city May 3, 1935—the day following a gathering for a similar purpose in New York. His recollection, supplemented by that of later witnesses, was that the other company men present were: W. Ross McCain, president, and E. J. Sloan, vice-president Aetna Fire; Alfred Stinson, vice-president Automobile; J. H. Vreeland, U. S. manager Scottish Union; R. R. Clark, U. S. manager, Caledonian; Gilbert Kingan, U. S. manager London & Lancashire; the late Edward Milligan, then president and George C. Long, Jr., then vice-president and now president of Phoenix of Hartford; F. D. Layton, president National Fire; and A. G. Dugan, western manager Hartford.

Recalls Street's Statement

Mr. Street, as Mr. Bissell recalled stressed the desire of all concerned to effect settlement of the troublesome litigation, and expressed the belief that compromise could be secured upon a 10-90 basis, saying he was in touch with certain Missouri parties, but failing to mention any one in particular, though he might, Mr. Bissell said, have named the then commissioner of Missouri; but as to that he was not sure. Mr. Street, whom Mr. Bissell had known for almost 40 years, and whose integrity he never questioned, said in order to bring about an early settlement, it would be necessary to have \$100,000; with a view, as Mr. Bissell inferred, for employing new counsel, R. J. Folonie, who had acted in such connection for several years having, according to Mr. Street, become persona non grata with the Missouri people.

Accepting Mr. Street's assurances that the contribution sought was for "legal expenses," and his further pledge that once the troublesome case was finally settled, a complete accounting would be made of the entire transaction to each company concerned, Mr. Bissell authorized payment by Hartford Fire of \$10,000 assuming that if the compromise,



R. M. BISSELL

so confidently predicted by Street failed, the money would be returned, less whatever expenses might have been incurred in the effort.

The amount of the Hartford group impoundings totaled \$705,720. In addition to the \$10,000 given May 3, 1935, the company later sent Mr. Street its check for \$25,286; the two contributions aggregating 5 percent of the total impounded premiums.

While Mr. Street voiced confidence in his ability to bring about a compromise in 1935, and asked the company executives to "trust" him Mr. Bissell gained the impression that Street had no positive plan of procedure.

While the Missouri rate litigation was



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directly handled by the Subscriber's Actuarial Committee the institution of the original suit, Mr. Bissell testified, was authorized by the company executives. Hence it appeared to him wholly logical that when there appeared a prospect of compromise being reached, the assent of the chief officials should be sought. Absence from his office for a considerable period, initially because of an extended agency trip and later through severe illness, Mr. Bissell offered as his reason for not learning of the 11 percent—5 percent transaction of 1936 until long after its occurrence.

R. R. Clark, United States manager of Caledonian since 1927, testified that while he attended a meeting of company heads here May 3, 1935, he was not acquainted with all that took place, having arrived



R. R. CLARK

near the close of the session. He recalled Mr. Street's stating in connection with his appeal for contributions to the \$100,000 fund, that he had or would more fully set forth the purposes of the fund, to a gathering of the big men in New York.

Satisfied with Mr. Street's assurance that the money was to be used for legal expenses and would be accounted for in due course, Mr. Clark sent a check of his company for \$2,000.

Arranged by Telephone

The call for the meeting here on May 3, 1935, Manager Vreeland of Scottish Union testified, was by telephone, and after hearing Mr. Street Mr. Vreeland agreed to contribute \$4,000, toward the \$100,000, the larger part of which, according to Mr. Street, had already been raised in New York and Philadelphia. The money, Mr. Street said, he desired as quickly as possible, hence his appeal to a limited number of companies to advance the sum, promising due credit would be accorded in the later accounting. The check of Scottish Union was made payable to R. J. Folonie and receipt therefore had been signed by "C. R. Street, chairman."

Other Witnesses Heard

Mr. Vreeland was followed as a witness in turn by F. M. Dominick, secretary; I. Lloyd Greene, vice-president and W. R. Hedge, president Boston and Old Colony; F. B. Luce, vice-president Providence-Washington; F. A. Schlesinger, treasurer Springfield F. & M.; R. C. Weigel, secretary Rhode Island; J. R. Cooney, president Firemen's, and Gilbert Kingan, manager London & Lancashire in the eastern department and its United States attorney.

Mr. Cooney's and Mr. Kingan's testimony was in effect that so far as the Missouri litigation was concerned, its handling was controlled through their respective western departments, the managers of which had already appeared before the federal master at hearings in Chicago. Neither Messrs. Hodge, Luce nor Cooney knew of either the New York nor the Hartford meetings

and had not contributed in any degree to the \$100,000 fund.

Esmond Ewing, vice-president Travelers Fire, first of Tuesday's witnesses, was one of the number of officials attending the meeting in the board room of Aetna Fire, here, May 3, 1935, called by G. C. Long, Jr., now president of the Phoenix, at the telegraphed request of C. R. Street. Mr. Ewing's recollection as to what Mr. Street said at the gathering was similar in effect to that testified by preceding and by later witnesses, viz., that in view of the pressure brought to bear from various quarters for settlement of the Missouri litigation, it would be desirable to compromise it, if that were possible. Mr. Street felt he might arrange settlement upon a mutually satisfactory basis, and asked the Hartford contingent to sanction a compromise, as he had asked the New York executives the previous day.

Need for \$100,000

As in the latter city Mr. Street mentioned here the need for a \$100,000 fund to the completion of which the companies in this city pledged these respective amounts: Aetna Fire, \$5,000; National, \$5,000; Phoenix, \$5,500; Hartford, \$10,000; Automobile \$3,500; Scottish Union \$3,000; Caledonian, \$1,500; Travelers Fire, \$2,000; London & Lancashire, \$2,000; or \$37,500 in all, which together with \$62,500 previously raised in New York, made an even \$100,000. Checks were sent to the office of President Long and by him forwarded immediately to Mr. Street in Chicago.

In connection with the receipt of 11 percent of the impounded premiums, and the drawing coincidentally of a check for 5 percent, all witnesses testified, information in connection therewith came by telephone from the office of the Insurance Executives Association in New York, assurance being given that the funds asked for were to be used, on Mr. Street's declaration, for "necessary legal expense."

Various witnesses testified Mr. Street offered as reason for seeking money that new counsel must be engaged. Mr. Street alleged that the Missouri authori-



GEORGE C. LONG, JR.

ties were antagonistic to Mr. Folonie and that Mr. Folonie objected to any effort at compromise.

President F. D. Layton of National Fire testified that while he knew of the Missouri rate litigation in a general way he was not familiar with its details, the matter concerning a section of territory under the complete control of G. H. Bell, western manager at Chicago and a man in whose judgment the head office executives reposed every confidence.

The most striking testimony of the day was that given by President Long of Phoenix, who as vice president of the associated companies in 1935-36, supervised their western business, including that in Missouri. He was "delighted," he stated, when promise of a compromise arrangement was held out by Mr.

(CONTINUED ON LAST PAGE)



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EDITORIAL COMMENT

Enough Material If It Is Used

SOME WEEKS ago one of the publications desiring to make itself more useful felt that it should supply local agents with more educational and sales material because that might create added interest in this periodical. As a matter of fact, local agents are deluged with such material. Often they are overwhelmed and confused as to what to do with it. Every insurance publication of any consequence, regardless of its frequency of issue, is devoting considerable attention to providing its readers with choicest information of this kind. The insurance papers come in contact with much educational material that has a direct selling value.

As we see it, the need is not for additional sales or local agency educational material but there is a call for greater stimulation of agents to take advantage of what they have. They should be guided as to its most effective use. The educational and sales material already being produced is high grade. It has been carefully selected and edited. The agents are fortunate in having a service of this kind which they can use.

A number of state associations of local agents are promoting intensive educational courses or short insurance sessions where

agents and their employees, field men and others can go to school and devote a few days in learning more about insurance. These sources are providing excellent material. The FLORIDA ASSOCIATION OF INSURANCE AGENTS led the way and a few other states have adopted this plan much to the benefit of their members and the business as a whole. Regardless of the vast amount of educational material and the facilities that are available there is a definite need for stimulation and direction to get this material used.

Many agents are complaining of the vast amount of material of this kind that comes to them. Some of the companies are doing excellent work in this direction. So altogether there is a vast quantity but there is a call for direction and manner of use of the material.

The "Fire, Casualty & Surety Bulletins" published by THE NATIONAL UNDERWRITER is the foremost service in selecting material, giving it the proper practical slant, furnishing complete and up-to-date information on important subjects. These bulletins are filed and with an elaborate cross index an agent has closely at hand a service that is valuable to which he can turn for reference at any moment.

Difficulties of Association Manager

THE most difficult position in the big circle of insurance to fill is that of manager or executive secretary of an association. Fortunately these organizations are well manned and have as their chief salaried officers men of repute, sound judgment and intelligence. However, they have as many bosses and supervisors as they have members. They may try to be all things to all men and yet they are subject to criticism at almost every turn of the road. Notwithstanding any course they take there is someone at hand who finds fault. There are others that could fill the job in their own mind with far greater efficiency and satisfaction. The manager or secretary is "damned if he does and damned if he doesn't." He is constantly between two fires. He has to deal with personalities and some of them are powerful and almost destructive. Once in a while he gets a hand on the shoulder that indicates understanding and sympathy.

Often we wonder how these men continue in office with so many delicate questions coming before them, so many problems to solve and such diversified opinion among the members. Fortunately the leaders in company and agency ranks are tolerant and when they find they have a

man of impartial judgment, sound to the core and who is trying his level best to do his work well and serve his interests satisfactorily, they are willing to let him bear the responsibility.

Frequently the salaried man of the organization is not only the target for arrows from his own managers but from the agents and field men all over the country.

In addition to his other troubles he often finds himself embarrassed by something the insurance newspapers publish. The newspaper men are just as conscientious in their work as the executive secretaries. The salaried official having his organization work centered in his office naturally possesses a rather composite view of what is being done. Some prominent executive or other member in touch with what is going on "spills his mind" to the newspaper man. The newspaper publishes this, much to the chagrin and discomfort of the salaried official because he will be accused of giving it out or perhaps he sees that it may tend to frustrate his plan.

Therefore, we speak a word for the esteem of men and women who are salaried officials of organizations. They are doing a magnificent and constructive piece of

work. We come in contact with them frequently. We recognize their ability, their conscientious regard for all the niceties of their office, their intense desire to do the

right thing in the right way. Sometimes a word of cheer, encouragement and commendation would mean much to them. They deserve an orchid once in a while.

Making a Sale-Making a Friend

WHENEVER an insurance salesman secures an application and later delivers a policy he should make a friend or if it is a renewal he should strengthen the friendship. Sometimes a salesman is too likely to forget his policyholder after the business has been secured. When an agent secures an application and closes the business, whether it is new business or renewal, the opportunity is offered for a bit of education along insurance lines. As he meets his policy-

holder from time to time he can continue to enlighten him. After all, the most effective educators and the best public relations men in insurance are the salesmen. If policyholders can be converted into friends of insurance and this friendship is based on intelligent presentation of what insurance does and how it fits into the needs of people there will be a vast army mobilized to fight the battles of insurance. That is real public relations work.

PERSONAL SIDE OF THE BUSINESS

R. M. Thompson, of Minneapolis, executive secretary of the Minnesota Association of Insurance Agents, has been at Oxford, Ohio, the past week attending the national convention of Beta Theta Pi of which he has long been an active member.

Mary Jane Welsh, daughter of **William J. Welsh**, Kansas City, president of the Missouri Association of Insurance Agents, is recuperating from injuries suffered two weeks ago when a horse she was riding ran away. She suffered compression fractures of three vertebrae, and will be confined to the hospital another five weeks, in a Bradford frame. She will have to wear aluminum braces for a few months after leaving the hospital, but doctors expect her to make a complete recovery.

Scott S. Wolf, Fremont, O., agent and his wife have returned from a month's trip to the west coast. They visited the Black Hills, Yellowstone National Park, crossed the Great Salt Lake Desert, the Redwood forests of California, Oregon, Montana, Washington, Idaho and the rest of the northern states.

Thomas B. Donaldson, who resigned as executive vice-president of the Pennsylvania Indemnity of Philadelphia and Pennsylvania Indemnity Fire when they were taken over by the Ohio Casualty of Hamilton, O., is residing at 22 Hamilton Road, Glen Ridge, N. J. He has not made any further connection.

A boy baby arrived in the home of **W. M. Daseke**, Indiana special agent of the American Auto. This event also elevated Gus J. Daseke, Indiana state agent Phoenix of Hartford, a brother of the father, to the rank of "uncle."

W. H. Marks, Seattle, president C. B. DeMille General Agency, president Northwestern Auto Insurance Corporation and past most loyal gander of the Seattle Blue Goose, was married to Miss Alice Green.

Clyde B. Smith of Lansing, Mich., well known local agent, former president of the National Association of Insurance Agents, this month is celebrating his 20th anniversary as a local agent in his city. He is one of the outstanding local agents of the country. He was formerly in the railway mail service. He read

THE NATIONAL UNDERWRITER in the Railway Y. M. C. A. at Chicago and concluded to start in insurance. He answered some of the advertisements and became a local agent at Vicksburg, Mich., getting two or three companies to represent. Later he became special agent of the National Fire of Hartford. In 1919 he purchased the Row-Ackerman Agency in Lansing. He has gained distinction as head of the legislative committee of the Michigan Association of Insurance Agents. Mr. Smith makes it a point to keep a list of birthday anniversaries of friends and sends them a card on this event.

W. M. Higley of Babson Park, Fla., former Minnesota state agent of the Hanover Fire, and Mrs. Higley, who have been visiting for a number of weeks in Minnesota, are now in Chicago meeting old friends. Mr. Higley is a member of the famous insurance colony in Babson Park, the other citrus fruit growers being John F. Stafford, former western manager of the Sun; H. R. Loudon, former United States manager of the Liverpool & London & Globe; and F. W. Bowers, former vice-president of the Phoenix of Hartford. Messrs. Higley, Loudon and Stafford traveled in the Minnesota field at the same time. Mr. Bowers was Missouri state agent of the Phoenix.

John E. Jackson of Weeks & Jackson, Minneapolis, state agents for the Home, is being felicitated on the completion of 35 years with the Home. He went to Minneapolis in 1915 as a special agent.

A. E. Anderson, president of the National Association of Farm Mutual Insurance Companies, was honored at a dinner at Minneapolis on his 70th birthday anniversary. He is manager of four Minnesota farm mutuals and is also secretary of the Minnesota Association of Farm Mutuals.

Albert F. Jordan, newly appointed insurance superintendent for the District of Columbia, who saw service with both the Virginia department and the Virginia rating bureau before going with the District of Columbia department, is a son of the late W. A. Jordan, former Virginia special agent for the Hampton Roads Fire & Marine, and a brother of



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W. A. Jordan, Jr., Virginia special agent for the Royal group, and of H. Y. Jordan, Georgia special agent for that group. He is a brother-in-law of E. S. Broach, another Virginia special for the Royal group.

Chester P. Dudley, assistant to the president of the Western companies at Kansas City, and Swanbild Boyd, stenographer for the Omaha Insurance Agency, will be married Sept. 2 at the home of C. A. Abrahamson, Miss Boyd's employer.

Howard W. Clark of the Clark & Clark agency, Winona, Minn., was elected grand chef de garde of the Minnesota American Legion 40 and 8 at the convention at Minneapolis.

J. C. Kelly of the Wheeler, Kelly, Haggy Agency, Wichita, and Mrs. Kelly are sailing this week for Hawaii on a vacation trip.

W. P. Hill, secretary of the Virginia Fire & Marine, suffered a stroke while motoring to Pulaski county, Va., with his family on a vacation trip. He was at the wheel of his car at the time and an accident was narrowly averted. He was removed to a hospital at Christiansburg and later taken to his home in Richmond. His condition was reported improved this week.

The centenary of the fraternity **Beta Theta Pi** was celebrated at Miami University Aug. 4-8. A number of prominent insurance men who are members gathered with other outstanding Americans and Canadians from coast to coast. Insurance was ably represented by the director general, Col. John R. Simpson, Miami '99, who is a director of the Fire Association and the Globe & Rutgers Fire. He is president of the Fidelity Trust Company of New York. O. E. Lane, Miami 1901, president of the Fire Association, is a member of the directing committee. Others present were John L. Baker, Miami 1904, who is attached to the legal department of the Fire Association; Homer G. Meek, Miami 1907, Indiana state agent London Assurance; C. F. McLaughlin, Miami 1907, who is assistant superintendent of the Tennessee Audit Bureau. Another insurance man present was C. J. McCoy of Cincinnati, manager of the Mutual Life of New York.

DEATHS

Funeral services were held at Cleveland for **W. M. Reed**, 64, for a number of years Ohio state agent of the Northern Assurance. He started with R. W. Hosmer & Co. of Chicago in 1894, and was with Goodwin, Hall & Henshaw, the Home of New York farm department in Chicago and the western department of the Prussian National. He had been with the Northern Assurance since 1906.

H. D. Baker, 73, honorary member of Wichita Insurors and for many years an active member until his resignation in 1933 when he was appointed collector of internal revenue for Kansas, died suddenly at his home. He had suffered from a heart ailment for some years but was believed recovering from a recent attack that had kept him confined to his home for the past month. Burial was at Anthony, Kan.

A. L. La Combe, who had conducted a local agency in Opelousas, La., for 40 years, and a general agency for 28 years, died at Pass Christian, Miss. H. L. Lastraps, who has been a special agent, has been employed by Mrs. La Combe to manage the general agency.

A number of veteran field men headed by W. T. Benallack, Michigan Fire & Marine, and George K. March, Detroit National Fire, attended the funeral in Detroit of **John R. Heenan**, 68, former Michigan field man. Mr. Heenan died in California where he had gone to recover his health after his retirement seven or eight years ago. He was special agent of the Springfield Fire & Marine group in Michigan 1911-15 and before that had been with the Califor-

nia. He had been in the real estate bond and mortgage business in later years.

John J. Berry of Berry Bros. agency, Newark, died at his summer home in Allenhurst, N. J. He had been active in insurance since his early teens, starting in his father's office. When the San Francisco fire wiped out a company which he represented in Newark, Mr. Berry paid out \$2,500 of his own funds to reinsure his clients in other companies.

R. F. Gibbs, 56, senior member of the R. F. Gibbs & Co. agency, Flint, Mich., died from complications arising out of a long illness. He went to Flint in 1919 as a representative of the Aetna, with which he had entered business life as a supply room boy and messenger. He founded the agency Nov. 19, 1919, and in 1923 took into the firm his brother, E. F. Gibbs.

George C. Meyer, Illinois and Missouri state agent of the Caledonian, died at Hines Hospital, Chicago, of uremic poisoning. Mr. Meyer, who was in his early 40's, was well known. He started with Hanover in Chicago before the war and upon his discharge from the army joined Commercial Union as an examiner. In 1927 he went with Automobile of Hartford and from there to the Great American. Recently he became associated with the Caledonian. Four insurance men were pallbearers at the funeral which was Tuesday at Northbrook, Ill. They were: State Agents James Jana, Hanover; H. Hohenstein, Commercial Union; A. J. Meyer, Automobile, and A. R. Rathslag, Fire Association.

Frank M. Sheehan, special agent in New York for Dubuque F. & M. and National Reserve, died in a Syracuse hospital Sunday afternoon after having been confined for only a week. Pneumonia, following an operation for gall bladder, was the cause of death. Active pallbearers included C. C. Meyer, Jr., Rhode Island; J. E. Reinhold, Pearl; W. M. Wakeman, Ohio Farmers and Millers National; Grafton Smith, General of Seattle; E. O. Yackel, Camden; George H. Forster, Firemen's. Mr. Sheehan had been with Dubuque since 1917. He was born in Buffalo in 1876. He covered the entire New York state field with the exception of suburban territory.

Harry Hickock, 55, assistant secretary of the Merchants Fire of Denver, died suddenly at Thermopolis, Wyo., from a heart attack. Born in New York, he went to Denver as a young man. He was with the Hamburg-Bremen and the Firemen's of Newark, and started with the Merchants 22 years ago, becoming assistant secretary in 1926. He was past most loyal gander of the Colorado Blue Goose.

Arthur Grinde, 54, De Forest, Wis., local agent, died after a long illness.

P. G. Lauff, manager of Mann Bros. and C. H. Kunnehan & Co. of Granite City, Ill., died in a St. Louis hospital. Mr. Lauff had been in the insurance business for many years and was well known to agents in that part of the state.

H. C. Cameron, 74, of Cameron Brothers agency, Athens, O., died there. He had been in business in Athens 52 years.

John A. Cravens, 72, local agent at Bloomfield, Ind., for 50 years, died there.

Charles H. Mason, 66, formerly of Mason & Fogg and Charles H. Mason & Co. in Boston, who retired from active business in 1926, died at his summer home in Concord, N. H. He had been associated with Russell & Fairfield, Boston.

Paramount Seeks Tennessee Entry

NASHVILLE — Commissioner McCormack received the application of the Paramount Fire for a Tennessee license. He has the application under advisement. The company states it will operate with standard rates and under supervision of the Tennessee Inspection Bureau.

E. E. Murrey, vice-president of Paramount, is a resident of Nashville and is president of the First Mortgage Co. and of Murrey-Young Co., a real estate auction sales concern.

Strive to Induce CCC to Retain Private Insurance

WASHINGTON—Insurance company representatives are meeting this week with officials of the Commodity Credit Corporation in an effort to work out plans under which the CCC will abandon its contemplated assumption of the insurance risk on crops on which advances are made to farmers.

Proposals now before the government agency contemplate a shift from present methods of underwriting rye and corn loans by making a charge to borrowing farmers which will provide a fund from which losses may be paid.

The insurance companies interested in the matter are protesting any government competition with business, pointing out that it would set a precedent which might be followed by other agencies. It is also contended that government competition is against President Roosevelt's policy of encouraging pri-

vate industry.

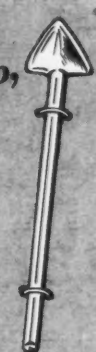
Representatives of the companies are said to have proposals which are to be laid before the CCC, embodying concessions which they believe will make continuance of the present system preferable to government assumption of risk.

L. G. Warder, associate general manager in charge of the farm department for Hartford Fire in the west, is expected to return from Washington, D. C., the latter part of this week. He has been in the city conferring with officials of the Commodity Credit Corporation.

Pacific National Mid-Year Exhibit

Pacific National Fire, in its mid-year statement, reports assets \$7,490,220, increase of \$356,206 from Dec. 31. Surplus as to policyholders is \$2,674,788, gain \$308,611. Premium reserve was \$4,234,347, increase \$233,583. Premium income for the first six months exceeded that for the parallel period last year.

Whatever you do,
keep out the
WEEDS!



We know you have a garden—whether you remember planting one or not! In this garden you have your plans, your hopes, your ambitions. Not all of these plants of yours will grow to fruition, altho many of them will. But whatever you do, be sure to keep out the weeds!

By weeds we mean the risks you run, the hazards you encounter every day, which in one split second COULD destroy your cherished garden. For just one fire, or one automobile accident, or one windstorm, might not only take everything you now own but mortgage your income for the rest of your natural life!

We specialize in "hoes"—hoes in the form of complete, reliable INSURANCE—that keep down and even eliminate these weeds that so suddenly COULD upset you and all your plans. We'd like to show you our selection of "hoes" and we're sure they'll include exactly the proper ones to fit YOUR needs.

Ralph Doe Agency

**Standard
protection**

The hoe you see in the upper right corner of the card is an actual toy metal hoe that's attached to the card! The card itself, printed in green and black on light green stock, is 4 1/2 x 8 inches. It goes thru the mail just as it is for 11¢; the postage is paid by the agent. The cards are furnished either blank or addressed to a furnished list. An entirely NEW piece is issued each month.

This unusual advertising program for our agents is in effect during this present calendar year, in connection with the KANSAS CITY's 10th anniversary in business.

THE KANSAS CITY'S current advertising mail-piece—made available to all of our agents without charge—is illustrated and described above. Our name is not so much as mentioned. This mail-piece is designed solely to help the KANSAS CITY's agents to GET MORE BUSINESS and MAKE MORE MONEY.

One of the best ways for YOU to keep down the "weeds" in YOUR business—getting "garden" is for you to use this free, effective advertising material. And the way for you to DO this—if you're not already one of our agents—is to become one!



KANSAS CITY Fire and Marine INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCH.

KANSAS CITY,
MISSOURI



—only because You did Your job well

THE treasurer was a tough customer. Didn't want Dishonesty Insurance. Said he hired only honest men—and that's that. But you sold him, in spite of it. Today he says you were right, he was wrong. He's thanked you for your persistence and the prompt and equitable way the U. S. F. & G. settled his claim.

There's satisfaction in solving the insurance problems of your prospects and policyholders. To help you do this, we support your efforts with a record for prompt and equitable settlement of claims which is convincing when you are selling and satisfying when you are making an adjustment.

"Consult your Agent or Broker as you would your Doctor or Lawyer"

U.S.F.&G.

UNITED STATES FIDELITY AND GUARANTY COMPANY

with which is affiliated

FIDELITY & GUARANTY FIRE CORPORATION

HOME OFFICES: BALTIMORE

The NATIONAL UNDERWRITER

August 10, 1939

CASUALTY AND SURETY SECTION

Page Fifteen

Project Merger of Two Companies of Portland, Me.

Maine Casualty and Union Safe Deposit Would Be Consolidated

PORTLAND, ME.—Announcement is made of the proposed merger of Union Safe Deposit & Trust Co. of Maine and Maine Casualty to form Maine Bonding & Casualty, at a meeting to be held Aug. 29. Both companies are controlled by Maine interests and confine their writings to Maine. Directors and stockholders have already indicated their desire for the consolidation. The new company will have an authorized capital of \$400,000, and surplus of like amount with 20,000 shares of stock at \$20 par. It is expected officers of the two companies will continue, with some slight changes of titles, in control of the new company. Union Safe Deposit & Trust Co., a Delaware institution, with head office in Portland, as of Dec. 31, 1938, reported assets \$502,518, premium reserve \$57,111, capital \$250,000 and net surplus \$157,978. Premiums written were \$93,020, losses incurred \$7,971, expenses \$57,686, dividends to stockholders \$15,000. The loss ratio from 1934-38 has been 11.4, expense ratio 58.7 and combined loss and expense ratio 70.1.

Statement of Maine Casualty

Maine Casualty reported assets \$280,443, premium reserve \$64,344, capital \$100,000, net surplus \$45,196, premiums written \$158,511, losses incurred \$67,080, loss ratio 44.5 and expense ratio 43.

These companies and Union Mutual Life of Maine are closely affiliated.

About six months ago separate committees were appointed by the directors of Union Safe Deposit and Maine Casualty to study the advisability of consolidation. It is set forth that additional business will be attracted and new fields of insurance may be entered because of the combined capitalization approximately \$400,000. The business will be more stabilized, thereby improving prospects for larger net earnings. The enlarged company should meet competition more effectively and the stock should have a wider and more satisfactory market.

Dividend Record Reviewed

Union Safe Deposit has regularly paid quarterly dividends at the rate of 6 percent for the past several years and Maine Casualty has paid annual dividends at the rate of 2½ percent in 1936 and 1937, 3½ percent in 1938 and 6 percent in January, 1939. The management proposes to initiate dividends at the rate of 6 percent on each share of the new stock, payable quarterly, being the equivalent on one share of

(CONTINUED ON PAGE 22)

May Reopen Many Compensation Cases

Michigan Supreme Court Decision Invalidates Numerous Revocations

LANSING, MICH. — Michigan compensation circles are aroused over the possibility of thousands of claims being opened as a result of the recent state supreme court decision in Lucien vs. Pansy Hosiery Co. The court held that the employer's revocation of operation under compensation when its insurance expired was defective and invalid because the labor and industry department did not literally comply with the law on this point. The employer in this case was held liable for compensation benefits.

The insurance company was not involved in the Lucien case and it is uncertain whether liability in the potential cases will fall on the employers or on the insurance carriers. It is estimated that at least 60,000 intended revocations of compensation have failed to follow the statutory procedure and that the employers are thus unknowingly still under compensation. In many cases, compensation insurance was later reinstated, but a large number have never carried insurance again.

In only one case so far has an award actually been granted in a case reinstated as a result of the court opinion. In Lash vs. Coffee Cup Cafe, a deputy labor commissioner awarded compensation for 100 weeks for loss of an eye. This case has been appealed to the full board of the department with the insurance company a co-defendant.

Details of Lucien Case

Mrs. Helen Lucien, manager of one of the hosiery stores, sued the employer at common law for disability and suffering alleged to have been caused by inhalation of coal gas and other injurious fumes from a defective furnace. She charged that despite protests from employees nothing was done to repair a defective heating plant with a result that she became run-down, had a miscarriage, and suffered permanent injuries to her health and nervous system. The suit was brought on the supposition that Pansy Hosiery Co. was not operating under the compensation act. It was brought out that the company's insurance had lapsed on or about Jan. 1, 1937, when notice was filed by the insurer, Standard Accident, on Dec. 21, 1936, that coverage would expire Jan. 1. On receipt of the notice, the labor and industry department notified the assured that unless the insurance were renewed by Jan. 1 the company would be "automatically out from under protection of the act."

Revocation Held Invalid

The supreme court held that the revocation notice was invalid and of no effect, because the compensation act provides that notice of intention to terminate insurance must be sent to the employer by the labor department and a hearing granted on request. Justice McAllister's opinion accordingly held that Pansy Hosiery Co. was operating under compensation and that Mrs. Lucien's suit should be dismissed, since she was

New Operators Form for Public Employees

Covers Driving of Public Cars; Non-Ownership Rule Changed

The new limited named operator automobile liability policy announced in the recent automobile manual revisions of the National Bureau of Casualty & Surety Underwriters is intended to protect government employees who drive publicly owned automobiles against personal liability and against penalties under financial responsibility laws. According to the manual announcement, it is in force in all states except Louisiana, Massachusetts, New Hampshire, Texas, New York, North Carolina, Oklahoma and Virginia.

The new form may be written only for employees of a government or governmental subdivision. It covers the assured against liability for accidents occurring while he is driving or riding in any private passenger automobile or truck owned by the government and used for private passenger or commercial purposes. There is no additional interests clause, only the named assured being protected. The charge is 50 percent of the "X" premium.

Danger of Personal Liability

In the majority of states, the state is not liable for accidents occurring in performance of governmental functions and this exemption is extended to many municipal and county governments. The driver of an automobile used in public work, however, is personally liable if he is guilty of negligence, just as the driver of a private automobile would be. In some cases, where the driver was found to have a home or some other property, injured persons have sued the driver personally and collected.

The financial responsibility laws of most states prohibit any person having an unpaid automobile judgment from driving any type of automobile, with no distinction as to ownership or use of the car. Thus a public employee whose

(CONTINUED ON PAGE 22)

entitled to compensation benefits. The contention that the alleged disability was an occupational disease was rejected and the effect of the condition of the furnace on her health was held to be a compensable accident.

Limitations Statute Not Applicable

It is believed by department officials that if no report of a compensable accident was filed by an employer in any case where compensation was believed to have been revoked, the six months limitation period would not run against the employee and he could bring a valid claim for compensation years after the accident.

The labor department originally followed fully the provisions of the law in these cases. Some years ago it was decided that a notice of expiration with a statement that acceptance was automatically canceled unless insurance was renewed would suffice. Thus thousands of cases which piled up under this practice may be revived and pressed.

Casualty Line Responsive to Social Changes

Blackall Cites Sympathetic Relationships of the Business in Modern Society

HARTFORD—The theory that the casualty business reflects social and statutory changes more readily than other branches of insurance, was advanced by Commissioner Blackall, speaking at a Rotary Club dinner in Winsted, Conn.

Changes in the laws concerning transportation, particularly in the auto-



J. C. BLACKALL

motive field; changes in the laws concerning ability of wives to sue husbands, and other reinterpretations of laws governing social relationships, seem to affect the casualty underwriter almost immediately, according to the commissioner.

Casualty Field Reacts More Quickly

"Because the original casualty policy indemnifies for the legal liability of the assured makes it imperative that the companies keep close watch on the law and make the necessary allowances. This does not mean that other branches of insurance are immune to such changes, but the casualty field seems to react more quickly."

He pointed to airplane insurance and said that insurance departments, recognizing the extreme difficulty of determining the cause of most accidents because of the complete wreckage of the ships, had authorized the aviation underwriting policy whereby the indemnification for legal liability is accepted with a possible confession of liability, making it unnecessary for the injured passenger to prove the corporation was at fault.

Zurich Changes the Name of Affiliate

New Company Will Be the American Guarantee & Liability

It is announced by Neville Pilling, head of the Zurich companies in the United States, that the name of the General Indemnity & Casualty of America, now being organized, had been found to conflict with names of other companies and that the incorporators had, therefore, decided to make a change to avoid any possible confusion. American Guarantee & Liability is the new name selected.

This company is being organized as a running mate for the Zurich for the primary purpose of writing fidelity, steam boiler and electrical machinery lines. The available casualty facilities of the Zurich General and the addition some years ago of automobile fire, theft and collision facilities through the Zurich Fire of New York, are now to be supplemented by additional underwriting facilities so the combined Zurich companies will be equipped to care for practically all casualty insurance requirements of Zurich agents.

Capitalization is 10,000 shares of \$100 par value, making \$1,000,000 capital and \$500,000 will be the paid-in surplus under the New York state charter. Studies of sales methods and adequate safety-engineering sales facilities are being made so that immediately following incorporation and issue of licenses, complete facilities and a full sales and underwriting program will be ready for use.

In 1933 the Zurich U. S. branch premium income was \$9,113,440 and in 1938 this had increased to \$14,729,593. Accordingly, if this recent history of the Zurich is a criterion for the future of the American Guarantee & Liability that company may be expected to stir up more than a few ripples in its chosen field of underwriting.

One Banana Peel Slip Too Many Brings Retribution

T. F. Riley of Indianapolis slipped when he slipped once too often on a banana peel. Some good sleuthing by L. A. Harshman of the claim department of the U. S. F. & G. in Indianapolis and his associates got him a one-to-three-year sentence in the Indiana reformatory.

He slipped and fell in a drug store before several witnesses, and pointed to a banana peel as the cause. He complained of a knee injury and showed a torn pants leg. A doctor's examination failed to disclose injury. It was found that a week before he had fallen down in a department store and collected \$35 for the same sort of damages, wearing the same pants.

Riley told the court the first fall was legitimate and the idea was so good he carried a banana peel in his pocket to make the second even better.

It developed, however, that he had figured in quite a number of similar fake accident claims, using the aliases of Jos. P. Reilly, Frank Lee, Thos. Reilly, Frank Reilly, Frank Baer, Frank Riley and Thos. Knee. A string of fake claims was uncovered in St. Louis, Memphis, Detroit and Chicago. The Hartford Accident paid three small claims since March 1 in Memphis, St. Louis and Detroit. The Bankers Indemnity paid \$60 on a claim in St. Louis and the United States Guarantee paid \$65 there.

The claims were usually for medical expense and injury to the suit—apparently always the same suit. They were for small amounts and usually were paid without much protest by store proprietors. A banana peel took a leading part in most of them.

Partnership Liability Is Debated Further

Charles M. Howell of the law firm of Howell & Jacobs, Kansas City, writes as follows regarding an editorial in the July 13 edition "Partnership Liability of Reciprocals." He says in that connection:

"My attention has been called to the issue of THE NATIONAL UNDERWRITER of July 13, 1939, and particularly to the editorial entitled Partnership Liability of Reciprocals.

"You refer to the case of the Associated Employers Reciprocal in the United States district court at Chicago and to an unrelated remark of Judge Wilkerson in commenting upon certain issues in this case. Particular reference, however, is made to the case of Republic Underwriters et al. vs. Meyer, et al., 127 S.W. (2d) 538. Whoever wrote this editorial evidently had not read carefully the opinion in the Republic Underwriters case because it arrives at no such conclusions as are stated in the editorial referred to.

Exploded Theory

"The question of partnership liability as between subscribers at a reciprocal insurance exchange is an exploded theory because no case can be cited which holds that as between the subscribers they are liable as partners. The decision in the Republic Underwriters case is based upon another theory entirely. That is, that the attorney-in-fact, Mr. Shoemaker, acted outside his authority under the law and therefore committed a wrong and for that reason is liable.

To a certain extent he acted under his apparent authority with respect to subscribers. That is, the opinion in this case is based upon a wrongful, unlawful act of the attorney-in-fact and not upon the management of an attorney-in-fact at a reciprocal insurance exchange acting within the power of attorney and within the authority given him by law.

"Several years ago your paper overlooked no opportunity to attack reciprocal insurance and upon such basis as suited your purposes best but I had thought that that day had gone by. The fact that reciprocal insurance is now recognized by specific statute in nearly all of the states of the union and in practically all of the provinces of Canada, as well as in other foreign American possessions, justifies the assumption that it is a recognized form of insurance. Fairness dictates that it should be treated as such.

"While I do not now and never have represented Mr. Shoemaker or Republic Underwriters, and assuming that he committed acts which were not authorized by his power of attorney or by law, yet he never went so far as the stock company interests went in Missouri in the recent episode relating to the 16 1/2 percent rate case with which you are doubtless very familiar.

"I would not have you think that I am taking this matter very seriously because I am not. I am simply calling your attention to an attitude on your part which I think is unfair although not at all important in its results."

Important Booklet on Liability of Contracting Firms

The question as to whether owners may delegate to contractors liability for injury or damage incurred in work done by the contractors, and whether contractors themselves can escape liability incurred by sub-contractors, has been convincingly treated in an illustrated booklet prepared by American Surety and New York Casualty, entitled "Liability Rebounds—A Booklet for Owners, Manufacturers and Contractors." It is devoted chiefly to 10 court decisions, excerpts from which are quoted. In five of the cases, the owner was adjudged liable for injury or damage caused by reason of contractors' operations. The other five are cases in which the contractor was held responsible for acts of negligence on the part of sub-contractors, causing injury or damage.

Liability Without Active Negligence

The 10 decisions are given in support of a statement in the preface to the booklet that "liability without active negligence has been recognized by the courts. An owner of a plot of land decides to erect a building. The contract for erection of the building is let to an independent contractor. The owner by this action cannot be sure that he will escape assessment of damages for accidental bodily injury or death or damage to property of others. The same may be said of a general contractor who lets operations to a sub-contractor."

The booklet has been prepared for distribution by the branch offices and agents among clients and prospects for owners' or contractors' protective liability and property damage insurance. Copies are available at the supervising branch offices or at the home office of both companies.

The American Surety and New York Casualty have issued a booklet for the use of banks and trust companies and building and loan associations in checking their insurance needs. Included is a reprint of an address, "Are We Providing Adequate Insurance from a Protective Angle?" by St. James Laplac, treasurer Savings Bank Trust Company, New York City. The bank insur-

ance check list, the companies believe, is the most complete since the American Bankers Association's "Dependable Bank Insurance," published in 1937.

Dental Cover Plan Is Getting Results

NEWARK—Since the arrangement has been made for the writing of dental professional liability policies by members of the New Jersey Association of Underwriters through the U. S. F. & G., agents are beginning to receive expiration dates from their dentists, and actual policy orders, with the results that the plan is beginning to show results.

While there are still a number of details to be worked out, indications are that considerable business will be obtained.

The association's committee is composed of Herbert L. Brooks, president Essex County Board; Gustave Jay of Jay & Jay, Newark, and Douglas S. Schenck, Schenck & Schenck, Jersey City.

All information pertaining to losses, claims and other information will be kept in Newark where dentists themselves can see how the rate is affected by experience.

Standard Surety Opens Columbus Service Office

NEW YORK—Standard Surety & Casualty has established a service office at Columbus, O., in charge of A. W. Hites, formerly southern Ohio field man for the Celina (O.) Mutual Casualty. Philip Tucker, who has been in the Ohio field for the last six months for Standard Surety, will assist him. Rice Williams, who formerly covered the Columbus territory as a field man working out of the Cleveland office, is reported to be considering going into the local agency business in Cleveland.

All Ohio business of the Standard Surety and its fire running mates is under the direction of Kenneth Scott, who has charge of the Detroit service office and the state of Michigan. Fire business in Ohio continues in charge of Warren Smith.

Study Cost of New Ill. Provisions

Studies are now being made to determine the probable extra cost and the rate increase if any that should be demanded as a result of amendments to the Illinois compensation and occupational disease laws that have now been signed by Governor Horner. These measures were agreed upon by representatives of labor and industry with George H. Moloney, vice-president of the Hartford Accident, sitting in at the conferences.

The amendments increase by 10 percent the disability benefits on account of both disease and accident.

Certain changes are made to bolster the second injury fund which has been in precarious condition. Heretofore that fund has been maintained by payments on the part of the insurers of \$400 (compensation) and \$300 (O. D.) in no dependency cases. Now, provision is made for new payments into the fund during the period July 1, 1939, to July 1, 1941, of \$225 for loss of or loss of use of one eye, one leg, one foot, one arm and one hand.

After July 1, 1941, these payments are reduced to \$100. The industrial commission is required to set up every July 1 a budget of expected payments from the second injury fund. If there is a \$50,000 surplus over and above the expected payments, then the commission may reduce these new payments below \$100.

The state treasurer is given the power to participate in disputed dependency claims in connection with the second injury fund.

Another provision of the amendments is that lump sum payments to a claimant during his lifetime extinguish all claims for compensation for death. In other words, a lump sum payment becomes final in any dispute, except in the case of disability. There is a provision that minor beneficiaries may compromise claims.

Gariépy Is on Nationwide Educational Tour

A. J. Gariépy, New York City, air-travel and insurance manager for the U. S. Aviation Underwriters, was a visitor at the Chicago office, which is managed by J. R. Graham.

Mr. Gariépy is on a nationwide educational tour to principal cities in which he is meeting with brokers and life men, business executives, and air line personnel and telling how the sale of group and individual air cover will remove many objections to air travel and stimulate the sale of aviation insurance.

For the past ten years he was with the American Air Lines, the last four as district sales manager in the New York City office. He went with U.S.A.I.G. the first of this year and is now embarked on an ambitious program to promote the sale of aviation insurance.

Incidentally, Mr. Gariépy observes that cover for around-the-world by air is now available with the establishment recently of a rate for trans-Atlantic flight of \$10 per \$1,000. The total cost is \$19.20 per \$1,000 of coverage per trip. To secure this the assured must have an annual group or individual policy. It is interesting to note, also, that the cost per \$1,000 of cover for crossing the Pacific is only \$5. This is because of the greater experience in commercial airline travel across the Pacific.

R. H. Hovey, 53, manager of the bonding department of Boit, Dalton & Church of Boston for the past five years and formerly with the Employers group and the American Surety, was accidentally killed while attempting to destroy a 22-calibre rifle while on vacation at his summer home at Alstead, N. H. The gun exploded and sent a bullet through Hovey's chest into his spine.

Pennsylvania Bars 50-50 Policy Form

Commissioner Taggart of Pennsylvania notifies companies of the disapproval of the 50-50 or retention plate glass and collision insurance contract. No insurance company doing business in the state, he says, may issue any policy or endorsement of plate glass or automobile collision or any other form of insurance which will contain the principles commonly found in those methods of underwriting known as "retention coverage," "50-50 plate glass coverage," or "excess endorsement." All such forms which have previously received the approval of the department are now disapproved. A violation of the regulation shall be construed as the issuance of a form not given the approval of the department. Commissioner Taggart said that it is the feeling of the department that such methods of underwriting are actuarially unsound, discriminatory, contrary to the fundamental principles of insurance and serve to create misunderstanding and discontent between the companies and policyholders.

Interlocking Directorate Mutual Bill Is Passed

BOSTON—The long delayed bill making illegal interlocking directorates between mutual liability companies and agency and finance company affiliates has been enacted by the Massachusetts legislature. Under the bill, officers, directors and employees of domestic mutual liability companies are barred from acting as officers, directors, or employees of agencies or finance companies. Such interlocking relationships were blamed for much of the trouble in the mutual liability companies writing compulsory automobile liability insurance which had failed.

Commissioner Harrington's bill providing that future mutual casualty companies formed in Massachusetts be compelled to set up a guaranty fund of \$200,000, instead of \$100,000 as at present, went down to defeat in the senate after the house had passed the measure.

At the outset the measure was generally favored as meeting the objections voiced by the commissioner to the inadequate fund with which mutual casualty companies had started in Massachusetts and which was in part blamed for the failure of about 10 such companies.

The Myles Standish Mutual Liability, which had filed its papers under the old law two years ago, sought special consideration. Controversy resulted. The house struck out an amendment favoring the Myles Standish and passed the bill. The senate voted 19 to 16 not to accept the bill without the amendment.

Oklahoma Gets the Reduction

OKLAHOMA CITY—Substantial reductions in rate schedules on automobile insurance is made effective by an order of the state insurance board after completing a survey of these rates started by the board some months ago. The order makes new rates effective as of July 1. Cars designated as Class A, Class One A, and Class B are involved.

Class B include private passenger cars used in business upon which there is a reduction of 2.9 percent in the rate. Class A are private cars used only for pleasure and these were given a 20 percent reduction. Class One A takes in cars driven for pleasure less than 7,500 miles a year by only two members of a family, each being more than 21 years old. These were given a 25 percent reduction. The board adopted a new manual rate computing system, which simplifies matters for the future.

Frank W. Hutcheon, 50, claim adjuster of the Travelers and Starkweather & Shepley in Providence, R. I., and associated with the Travelers for 26 years, died in Providence.

Acid and Chemical Damage Covered by Plate Glass Policy

Full coverage against damage caused by acid or chemicals is now included under the plate glass policy without extra charge, the former extra 25 percent premium being eliminated. The broadened policy which was introduced in New York state last February has proved successful, so that it is now being offered countrywide, according to the National Bureau of Casualty & Surety Underwriters. Inasmuch as the damage by acids and chemicals makes glass worthless, the additional coverage is expected to prove attractive to the insuring public.

Also without cost \$150 coverage is provided to repair or replace frames, remove fixtures or obstructions to replacing the damaged glass, and boarding up the openings, or installing temporary plates where it is impossible to make immediate replacements. Additional amounts of insurance may be secured for an additional premium. It is felt that the broadened coverage will stimulate the sale of plate glass insurance.

Reductions in Rates

Furthermore, reductions in plate glass insurance rates have been made for the following territories: Mobile and Montgomery, Ala.; Delaware; Miami Beach, St. Petersburg and various counties in Florida; city and county of Baltimore and the balance of state territory of Maryland; St. Joseph, Mo.; New Mexico; Columbia and balance of state territory of South Carolina.

Increases have been made for Phoenix and Tucson, Ariz.; Denver, metropolitan district of Denver, Colorado Springs and Pueblo, Col.; Peoria and counties of DuPage, Kane, Lake and Will, Ill.; Indianapolis and Lake county excluding Gary, Ind.; Des Moines, Sioux City and balance of state territory of Iowa excluding Cedar Rapids, Davenport, Dubuque and Council Bluffs; Grand Rapids, Flint and Pontiac, Mich.; Duluth, Minn.; Kansas City; Oklahoma City and Tulsa; Richmond and Charleston.

Plan Michigan Membership Drive

DETROIT—Officers of the new Michigan Casualty Underwriters Association plan to prosecute an intensive drive for members and double the charter membership of 25 by fall. John M. MacDonald, Broderick agency, membership chairman, is in charge of the drive.

The drive will lead up to a stag outing to be held about the middle of September to which all eligible casualty men in Detroit and surrounding cities will be invited.

California Bar Head Cites Cases

LOS ANGELES—President Paul Vallee of the California Bar Association has released to the daily press two court decisions in which the bar's contentions on the alleged practice of law by laymen were upheld. One was a realty broker and was not of much interest to insurance men.

However, in San Diego county Municipal Judge Daney held that William J. Heinrich was in contempt of court for performing legal services in connection with the settlement of claims and fined him \$100.

Auto Fatalities in New York

NEW YORK—Fatalities caused by automobile accidents in this state during June totaled 159, a decrease of 34 from those reported during the corresponding month of 1938. For the first half of this year the deaths numbered 935, compared with 1,065 had in the like period of last year. In contrast to the mortality saving the number of accidents and injuries recorded last June, were greater than those for the same month of 1938; being 6,593 and 6,248 respectively; while the injuries aggregated 8,562, as against record of 8,178, reported for June, 1938.

Will Lead Merchandising Discussion in Boston



CALVIN HOW

Calvin How of Duluth, who will lead one of the discussions on "Insurance Merchandising" at the Boston convention of the National Association of Insurance Agents, is a specialist on accident and health insurance and has been one of the accident leaders of the Aetna Life for many years.

Texas Agency School to Be Held in Two Cities

The Texas Association of Insurance Agents will sponsor two casualty and surety conference meetings, one in Dallas on Jan. 15, and one in Houston on Jan. 16. This decision was reached by the casualty and surety committee when meeting in Austin. These meetings in the past always have been held in Dallas and have been similar to the insurance schools being held in other states, with the subject confined to casualty and surety insurance and no tests given. Members of the casualty and surety committee, under whose direction these two meetings will be held, are A. H. Bevan, chairman, Houston; Melvin Miller, Fort Worth, and R. W. Thompson, Dallas.

Packwood Reports 22% Increase

KANSAS CITY—A 22 percent increase in business is reported by the Massachusetts Bonding's branch here under F. Glenn Packwood. Better than 75 percent of the agents in this area are participating in a nationwide campaign. The principal increase has been on automobile as a result of the new classification rating plan in Kansas and Missouri, and to the new financial responsibility law in Kansas.

Oklahoma Figures Given

OKLAHOMA CITY—The grand total of net premiums collected by all classes of automobile liability carriers during 1938 in Oklahoma was \$2,339,598, while losses paid were \$956,049 showing a loss ratio of 40.86 percent against 34.64 for 1937. Reciprocal exchanges in 1938 collected premium deposits of \$73,925, paid claims amounting to \$30,143 with a loss ratio of 40.77 percent against 44.287 for the year previous.

Reduces Age Limit to 14

Connecticut General Life announces that it has reduced the age limit for accident and health insurance on children from 16 to 14. Three policy forms are available for children in the 14-16 age group. The reduction of the age limit to 14 appears to be an imminent department generally. United States Fidelity & Guaranty just recently announced taking the same action.

Mutuals May Issue Auto Expense Form for Pedestrians

The mutual companies that belong to the American Mutual Alliance have under consideration the issuance of some form of an endorsement to the automobile bodily injury policy, providing medical, surgical and hospital benefits and funeral expense reimbursement for those injured or killed in automobile accidents, regardless of fault on the part of the driver. Some of the leading mutual companies favor issuing a form of endorsement for the benefit not only of occupants of the insured automobile, but also for pedestrians. The form that the stock companies just recently introduced provides benefits only for the guests in the car. This general subject has been under discussion for a year or more by the joint conference of mutual and stock companies on the uniform automobile policy. The stock and the mutual companies could not agree on a uniform endorsement in this field and hence the idea of uniformity has been abandoned. The mutual companies are expected to reach a decision within a few weeks as to what course they will pursue.

BLACKALL GIVES ATTITUDE

HARTFORD—Commissioner Blackall of Connecticut expressed himself as being in favor of the medical reimbursement rider for automobile liability policies, recently approved by the National Bureau of Casualty & Surety Underwriters, but pointed out that there might be a question raised as to its validity.

Under Connecticut law a company may not write more than one person in an accident policy.

"The question that must be decided," the commissioner said, "is whether this endorsement is to be considered as a separate accident policy, or whether it constitutes merely an admission of additional liability." He has called a conference of company representatives at which efforts will be made to clarify the matter.

"Personally, I feel that some sort of protection should be given to passenger guests, and I am in favor of finding a way whereby the companies can write it," said Mr. Blackall. He added that a committee appointed a few years ago to make a study of the financial responsibility laws agreed that some provision should be made for injured passengers, and the suggestion was made that the state collect sums in addition to auto registrations, the money to be used to reimburse these injured persons. The legislature, however, rejected the scheme.

Commissioner Blackall stated the department did not feel the requirement of a release from all reimbursed persons would work out so well, since it might very well give a release for the benefit of the assured and thereby discharge some other driver, if both drivers should be considered joint tortfeasors. He added that the department is inclined to favor exclusion of the assured from the benefit of the endorsement.

Drive-Other-Car Mandatory

Commissioner Rouillard of New Hampshire has issued a ruling that the drive other private passenger automobile endorsement must be attached to all new and renewal automobile P.L. policies in the state. The companies must definitely advise the department that they will construe all outstanding policies to include this coverage.

More than 100 employees, their families and guests of the Chicago office of Standard Accident attended the annual picnic at Nippersink Lodge. The day was featured by golf, tennis, swimming, boating and other sports, both luncheon and dinner being served.

Year After Year

AN EVER INCREASING NUMBER OF
AGENTS WHO PREFER TO PLACE
THEIR AUTOMOBILE AND CASUALTY
LINES WITH THE "UTILITIES"

UTILITIES INSURANCE COMPANY

A STOCK HOME OFFICE COMPANY

ST. LOUIS

MISSOURI

Direct contracts available for conservative
and successful agents in Illinois, Indiana,
Iowa, Missouri, Ohio, Nebraska, Colorado,
Oklahoma, Tennessee and Texas



This little school won't
open its doors again,
for the children have
been transferred to the
consolidated school,
and will be waiting at
the cross-roads for the new

School Bus

There will be thousands more of these young "com-
muters" this Fall than ever before—and that means
many more school buses to be insured.



CONTACT

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CHICAGO

CHANGES IN CASUALTY FIELD

Dondore New Iowa Special of American Automobile

John J. Dondore, Cook county, Ill., special agent American Automobile, operating out of the Chicago branch under E. D. Loring, resident vice-president, is being transferred as special agent to Iowa. He will headquarter in the Iowa service office at Des Moines. Mr. Dondore went with American Automobile in February, previously having been with U. S. F. & G. in Chicago as district supervisor, doing production work there and throughout Illinois, and before that in charge of the Minneapolis service office. He is a native Iowan and started in insurance work at Iowa City with the S. T. Morrison agency.

He succeeds in Iowa, Robert T. Galvin, who will return to Chicago as downstate Illinois special agent. The Iowa territory is supervised by Mr. Loring.

Hollister to Detroit Agency

Henry C. Hollister, underwriter in the Aetna Casualty's Detroit branch, has

joined the Detroit Insurance Agency. Mr. Hollister started in insurance with the Aetna in 1931 in Newark, N. J. He is president of the Michigan Casualty Underwriters Association. In the Detroit Agency he will be assistant to James Seymour, manager casualty department, not only in general underwriting but specializing in survey and analysis.

Verne Bartlett to Chicago

Verne Bartlett has been transferred from the head office of Eagle Indemnity to Chicago as executive field representative. He will look after home office matters in much of the middle western territory. He has been in the production department at the home office for some time, previously having been in charge of advertising. Some years ago he was connected with the magazine, "The Local Agent," of St. Louis.

Employers Mutual Liability of Wisconsin has opened a branch office in the Public Ledger building, Philadelphia, with R. R. Challoner as manager. He has been with Employers Mutual since 1936 as manager at Peoria, Ill.

The **Accident & Casualty** has appointed four Boston agencies: Douglass Lawson Agency; Hollis, Perrin & Kirkpatrick; Holton Wilcox agency and the brokers general agency in the office of the Boston.

O. A. Hanle, **Indianapolis**, general agent of the Columbia Casualty and successor of the E. J. Scoonover Agency, has moved to 701 129 East Market Street building.

WORKMEN'S COMPENSATION

Silicosis and Assignment Bills Have Been Revived

BOSTON—The Massachusetts house overrode the recommendations of its ways and means committee on two of the three measures radically affecting the workmen's compensation law, all of which had been referred to the next general court, and left the way open to the possible adoption of two important changes.

Bill Placed on Calendar

Placed on the calendar for future consideration, against the adverse report of the committee, was the bill providing workmen's compensation benefits for workers in silicosis and other dust hazard industries by separating occupational disease coverage from the general industrial accident coverage of the compensation law and setting up a maximum compensation of \$3,000.

New lease of life was also given the bill providing for assignment of rejected compensation risks.

The bill to make compensation compulsory for most employers was referred to the next general court by the house.

California Fund Offers Prizes

SAN FRANCISCO — The California State Compensation Fund is offering prizes to special agents for increased volume. This is the first time the California fund has ever publicly indicated that it was increasing its competitive aggression against the private companies, most of the solicitation in the past being more or less "confidential" and through special agents known as "auditors."

The fund's premium income for the first half of this year was \$4,796,023, a gain of \$134,744 over last year.

Compensation Inadequate, Secretary Perkins Asserts

WASHINGTON—A statement issued by Secretary of Labor Frances Perkins cited the recent mine disaster in Providence, Ky., as showing "how incomplete and inadequate is the application of workmen's compensation for industrial accident disability."

She says that while the states began adopting compensation acts 30 years ago, not more than half the workers enjoy their protection today. The principal reason is that many state acts are elective rather than compulsory—and many industries, as well as small establishments with few employees, are exempt. Only 16 of the 47 state workmen's compensation acts are compulsory.

Liberalization Bill in Alabama

BIRMINGHAM, ALA. — A measure liberalizing the workmen's compensation law, which represents a compromise said to be agreeable to employer and employee groups, was introduced in the Alabama house. The bill would reduce from 16 to eight the minimum employee requirement for companies to qualify under workmen's compensation laws and would reduce the two-week waiting period before compensation is to begin to one week.

Drop Strikebreaker Charge

Under an order entered by the Virginia corporation commission, Virginia industries are exempted from paying extra premiums on workmen's compensation for strikebreakers, guards and employees during strikes. At the request of the Virginia rating bureau, the commission eliminated from the basic manual of rates approved by it the rule that dur-

ing strikes firms must pay additional premiums of \$1 per day for guards, watchmen and strikebreakers and 25 cents for other employees. The bureau pointed out that the labor situation has quieted down to where the rule is not needed. It also felt that the rule was inequitable because the same surcharge was made regardless of the size of the industry or the danger of violence in the strike.

Oklahoma Experience Given

OKLAHOMA CITY — Fifty-four stock casualty companies wrote workmen's compensation insurance in 1938 in Oklahoma, collected premiums of \$3,873,590, paid losses of \$2,076,816, with general loss ratio of 53.61 percent. This compares with 1937; 58 companies collected premiums of \$4,823,387 paid claims of \$2,187,390 with loss ratio of 45.349 percent.

COMPANIES

Standard Accident Reports Substantial Increase

Net premiums written by the Standard Accident for the first half of 1939 totaled \$8,209,766, an increase of \$403,535 or 5.2 percent.

Personal accident writings showed a gain of 16.2 percent and bonding writings registered a 30.4 percent increase.

Assets increased from \$22,977,420 as of June 30, 1938 to \$24,128,167 as of June 30, 1939. Total capital and surplus increased from \$3,467,697 to \$3,808,848. The unearned premium reserve on June 30 was \$7,538,413 and the claim reserve \$9,533,185.

Charter St. Louis Taxi Insurer

JEFFERSON CITY—A charter has been issued to the Public Mutual Casualty of St. Louis, recently organized by T. R. Cronin and associates in the United Service Car Company of St. Louis to provide liability and property damage insurance for service cars and Black and White taxicabs operated in St. Louis and St. Louis County. The incorporators have subscribed for the necessary \$25,000 of reserves.

With the formation of the new concern the service car operators and the Black and White taxicabs will withdraw from their agreements with the Travelers Mutual Casualty of Des Moines, Ia., which has been carrying insurance on the service cars and taxicabs.

Reduce Compensation Rates 30% in Pennsylvania

HARRISBURG, PA.—A 30 percent reduction in workmen's compensation rates for the state was announced by Commerce Secretary Brown. Rates are retroactive to July 1 when the new law became effective. It is expected that the reduction will help Pennsylvania factories to compete with those in other states where compensation costs have been lower, as in many instances the costs represented the margin by which competitors undersold Pennsylvania products, according to Mr. Brown.

The lower rates were made possible by eliminating certain employer provisions, particularly those which imposed on the employer the entire expense of administering the system and required him to pay \$1,500 into a special fund for each fatal accident involving a person with no dependents.

A hearing was held in common pleas court at Columbus this week on whether the Ohio department, which is trying to rehabilitate the Farmers Union Mutual of Oberlin, should proceed to liquidate the company. Directors had been given an opportunity to raise additional funds to place the company on its feet.

PERSONALS

Vice-president W. J. Whitchurch of the California Agencies, Los Angeles, general agents of the Continental Casualty, left for a month's trip to New Orleans, New York, Philadelphia, Boston and other points before going to the home office in Chicago.

C. W. Fairchild of New York City, manager of the Association of Casualty & Surety Executives, has been elevated to the high position of grandfather. Mr. and Mrs. Fairchild are in San Diego, Cal.,

where their new granddaughter was born last Saturday. The mother Mrs. Beverly Van Buskirk, is the daughter of the Fairchilds. Her husband is a lieutenant in the U. S. Navy, being on the submarine "Perch," at the San Diego base.

M. J. Scheemeacker, bond manager in the Chicago office of Standard Accident, is expected to return next week from a three weeks vacation trip to California.

C. O. Pauley, secretary Great Northern Life at Chicago, arrived home from a three weeks trip to the Canadian Rockies and Alaska. He was accompanied by Mrs. Pauley. Their daughter, Miss

Pamella Pauley, returned from Colorado to greet her parents. She attended the Cowles Commission for Research in Economics at Colorado College.

Arthur Steele, assistant manager of the surety department of Marsh & McLennan in Chicago, died at Chicago Memorial Hospital. He was 50 years of age. He was formerly connected with the U. S. Fidelity & Guaranty office in Chicago. Mr. Steele was on the eve of getting married and in undergoing a physical examination the doctor discovered that he had a cancer.

The M. E. Ald agency, Charlotte, Mich., has moved to larger quarters in the Charlotte Candy Company building.



Licensed in
All States

Condensed Financial Statement of

CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGinnis, President

HOME OFFICE

KANSAS CITY, MO.



Qualified with
U. S. Treasury
Department

As Certified to the U. S. Treasury Department, June 30, 1939

ADMITTED ASSETS

Cash	\$ 1,112,518.95
Bonds:	
U. S. Government (Direct or Guaranteed)	\$2,130,243.37
State and Municipal	2,417,236.14
Railroad	64,462.44
Federal Land Bank	25,122.66
Total Cash and Bonds	\$ 5,749,583.56
Central Surety Fire Corporation Stock	518,470.36
Real Estate	159,035.57
Mortgage Loans on Real Estate (First Liens)	137,983.61
Premiums in Course of Collection (Under 90 Days)	819,220.98
Accrued Interest on Investments	41,597.85
Other Admitted Assets	12,141.72
TOTAL ADMITTED ASSETS	\$ 7,438,033.65

LIABILITIES

Reserve for Claims	\$2,213,554.45
Reserve for Unearned Premiums	1,902,983.80
Total Claim and Premium Reserves	\$ 4,116,538.25
Reserve for Commissions	229,860.33
Reserve for Taxes and Other Liabilities	222,626.90
Voluntary Contingency Reserve	150,000.00
Total Reserve	\$ 4,719,025.48
Capital	\$1,000,000.00
Surplus	1,719,008.17
Surplus to Policyholders	\$ 2,719,008.17
TOTAL LIABILITIES	\$ 7,438,033.65

Bonds are carried on amortized basis. Market value of bonds exceeded their book value at June 30, 1939, by \$210,139.67. No bonds were in default either as to interest or principal at June 30, 1939.

Market value of invested assets of Central Surety Fire Corporation exceeded their book value at June 30, 1939, by \$34,815.85.

FINANCIAL STATEMENT OF CONDITION

The Buckeye Union Casualty Company
of Columbus, Ohio

as of JUNE 30, 1939

ASSETS

Cash in Banks and Office.....	\$ 270,855.54
Government, Municipal and Other Bonds (Amortized Values).....	1,255,355.23
Stocks (Market Values).....	455,780.50
Premiums Uncollected (less than 90 days due).....	330,378.43
Mortgage Loans.....	16,035.03
Collateral Loans.....	10,718.00
Real Estate and H. O. Building.....	143,643.41
Miscellaneous Assets.....	44,792.86

Total Admitted Assets.....\$2,527,559.00

LIABILITIES

Reserve for Losses in Process of Adjustment.....	\$ 49,782.00
Reserve for Unearned Premiums.....	942,115.06
Special Liability Reserve (Schedule P Basis).....	685,937.03
Reserve for Accrued Bills.....	4,050.13
Reserve for Taxes.....	21,432.95
Reserve for Commissions.....	91,909.90
Voluntary Contingency Reserve.....	25,000.00
Capital Stock.....	\$300,000.00
Net Surplus.....	407,331.93

Surplus to Policyholders.....707,331.93

Total Liabilities and Surplus.....\$2,527,559.00

Assets, December 31, 1927, \$323,166.47

Assets, December 31, 1933, \$884,792.77

Assets, December 31, 1938, \$2,352,850.56

Assets, June 30, 1939, \$2,527,559.00

If market values on bonds were used instead of amortized values, Assets would be increased to \$2,566,701.27 and Surplus to Policyholders to \$746,474.20.

ACCIDENT AND HEALTH

Illinois Agricultural H. & A. Conference
Mutual Results Good Committees Named

With the peak month for farm accidents (July) just passed, Illinois Agricultural Mutual, Chicago, reports that its recently formed accident department has received a surprisingly small number of claims. And in no instance during the past four months has a claim totaled more than \$20.

C. M. Seagraves, who is in charge of the accident department, says that the greatest number of accidents occur during the crop months of July, August, September, October and November, with July and August having the largest number.

He attributed the good loss experience thus far to the fact the two types of policies, accident and medical reimbursement, are available only to employees, members, and their dependents, of the Illinois Farm Bureau. The membership is largely drawn from the better type of farmers, who possess a high degree of intelligence, a fair amount of monetary means, usually operate on a more scientific basis and are more safety conscious.

It was also pointed out that medical expense, such as for doctors' services, costs considerably less in rural areas. As an example he cited a \$6 claim which would have amounted to at least \$25 had the assured been treated by a city physician.

A large number of claims had been anticipated because of the nature and high frequency of farm accidents, especially since there were little or none experience figures available.

Approximately 40 percent of the policyholders have both the accident and medical reimbursement policies.

James E. Powell, Provident Life & Accident, president of the Health & Accident Underwriters Conference, has announced his committee appointments. Two standing committees—program and entertainment—have been eliminated. In their place a general convention committee will be named at a later date.

In addition to the standing committees, there are two special committees carried over from last year, on non-cancellable reserves, headed by J. M. Powell, Loyal Protective Life, and on group accident and health insurance, with J. F. Ramey, Washington National, as chairman.

E. H. Ferguson, Great Northern Life, is chairman of the agency management committee and will have charge of the session devoted to that subject at the Minneapolis convention. Other chairmen of standing committees are: Education, E. J. Faulkner, Woodmen Accident; legal, V. J. Skutt, Mutual Benefit Health & Accident; legislative, H. H. Leavey, California Western States Life; manual, Miss C. T. O'Connell, North American Accident; membership, Paul Garey, Commercial Casualty; memorials, R. L. Walker, National Masonic Provident; public relations, C. W. Young, Monarch Life; resolutions, H. A. Woodward, Old Line Life; underwriting, T. T. McClintock, Ohio State Life.

Sterling of Chicago Is
Reorganized on Stock Basis

Reorganization of Sterling of Chicago, an assessment health and accident company, to a stock institution has been accomplished. This was done by organizing a stock company, known as Sterling Health & Accident, and then merging with it the old assessment company. The title Sterling Health & Accident was then dropped and the new company emerges as Sterling Insurance Company.

Assets of the new company amount to \$400,000 of which \$100,000 has been deposited with the Illinois department. Capital amounts to \$100,000, and net surplus \$50,000.

Louis A. Breskin, president, states that the management intends to license the company in a number of states, create an agency force and write commercial types of accident insurance, including group, salary deduction, etc. The company has been featuring limited forms of accident policies. A. T. Gault is vice-president and treasurer and J. F. Kutak is secretary and general counsel.

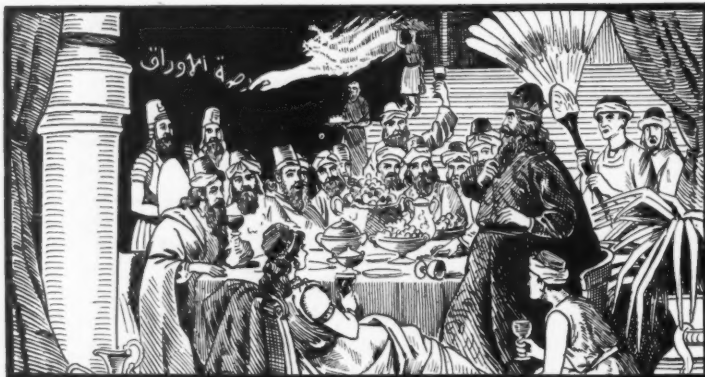
Sterling, as of Dec. 31, 1938, reported assets \$260,528, claim reserve \$24,527, surplus \$192,734, premium income \$606,238, losses \$105,726, expenses \$400,453, loss ratio 17.4, expense ratio 66.1. The legal details of the reorganization were handled by Attorney Henry S. Moser of Sonnenschein, Berkson, Lautmann, Levinson & Morse.

Knight Named in Mississippi

J. S. Knight has been named as general agent for Mississippi for the Provident Life & Accident with headquarters in Jackson. He has been in the insurance business 10 years. D. B. Morgan will be associate manager.

Wisconsin National Agents Meet

OSHKOSH, WIS.—The Wisconsin National Life held its annual agency conference at the home office here for two days, field representatives from Wisconsin, Minnesota, Michigan, Illinois and Indiana attending. Arthur James, vice-president, presided at the opening session, speakers including A. J. McAndless, president Lincoln National Life; A. C. Eastlack, actuary and assistant secretary Wisconsin National; Dr. J. M. Conley, medical director; J.

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Warns Against "Non-Profit" Outfits

CONCORD, N. H.—Commissioner Rouillard of New Hampshire has issued a statement warning the public against "non-profit" hospitalization organizations seeking to do business in New Hampshire, stating that at the present time there are no so-called hospital service organizations licensed to do business in the state and any such companies writing business in the state are doing so illegally. He warns the public against dealing with such companies and advises all to deal only with resident agents of regularly licensed companies.

New Pennsylvania Group Bill

Commissioner Taggart of Pennsylvania addresses companies writing group accident and health insurance calling attention to the recent act of the legislature defining and regulating such coverage and establishing certain provisions to be contained in the policy contract. Therefore Commissioner Taggart declares it will be necessary for all companies to review their policies formerly approved by the department to determine whether or not they are any longer legal contracts under the act. Companies must notify the department that all illegal forms are being withdrawn.

Formulate Chicago Plans

Officers and directors of the Chicago Accident & Health Association held a meeting to formulate plans for the coming year. A. D. Anderson, Continental Casualty, and C. Truman Redfield, Mutual Benefit, were named co-chairmen of the membership committee. The publicity committee is headed by Charles D. Spencer, Accident & Health Review, and Robert C. Straub, Pihl & Straub & Gatzoff. Clay F. Lundquist, Fred S. James & Co., association vice-president, heads the program committee. R. B. Kegley, Moore, Case, Lyman & Hubbard, heads the association.

L. Clark, Oshkosh; M. S. Kirkpatrick, Grand Rapids, Mich., and H. O. Benz, Ann Arbor, Mich. Greetings were extended by President C. R. Boardman.

Among speakers at the afternoon conference was G. A. L'Estrange, manager accident and health department. Agents joined with the home office staff in the annual outing at Camp Waushara.

Kennedy Named by Rail Group

John J. Kennedy, Allston, Mass., was elected national secretary-treasurer of the Railway Mail Association, Portsmouth, N. H. He has been a member of the association since 1905 and served eight years as president of the Boston branch and then was president of the first division comprising all New England states.

Mr. Kennedy succeeds R. E. Ross who is retiring after 26 years, during which time the assets increased 500 percent and not a dollar of principal or interest has been lost in that period. Mr. Ross went to Portsmouth from Cincinnati. He will continue to reside in Portsmouth but spend his winters in Florida.

The Old Line Life of Milwaukee reports a 40 percent increase in accident and health premiums for the first six months of 1939.

Leo Packard, secretary Milwaukee Accident & Health Association, has announced that the second annual field day will be held at Tuckaway Country Club on Tuesday, Aug. 22, starting at noon.

Official Declines to Take Action

MADISON, WIS.—Request of the Farmers Mutual Automobile of this city and the Wisconsin Mutual Insurance Alliance that the attorney general commence action against Commissioner Mortensen to compel him to revoke the license he recently granted the State Farm Mutual Automobile, of Bloomington, Ill., was denied by Attorney-General Martin. He said his office was representing the department in two actions brought by the State Farm Mutual, affiliate of the Farmers Mutual, involving certain of the matters referred to in the request, and he felt it would be "embarrassing and possibly improper" for him to proceed against Mortensen.

The Wisconsin mutual contends the Illinois mutual violates the Wisconsin statutory limitation against similarity of names of insurance companies, and also the method of operation involving the use of a \$15 membership fee for policyholders. The latter is said to be in violation of Wisconsin insurance law because no reserve is set up for the fee. Mortensen held in issuing the license the fee system never has been held illegal by any court and is not definitely prohibited by statute.

Judge Crosby of Neillsville, substituting for Judge Hoppmann in Dane county circuit court, has under advisement a petition for an order to compel Mortensen to revoke the license granted the Bloomington mutual. He ordered briefs filed by attorneys after their vacations, indicating decision would be delayed until September.

The Wisconsin assembly passed a bill requiring insurance companies which charge membership fee to treat the fee as a premium and include it in computation of reserve liability. The bill is directed at the Illinois mutual, of which H. L. Ekern, former Wisconsin commissioner, is counsel.

Not Subject to Safe Driver Plan

The medical expense reimbursement endorsement for the benefit of guests in cars insured for automobile public liability is not subject to the application of the safe driver reward plan.

The endorsement has now been approved in Indiana, Kansas, New Mexico, Oregon, Vermont and West Virginia.

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Project Merger of Two Companies

(CONTINUED FROM PAGE 15)

Union Safe Deposit to \$7.20 and on Maine Casualty to 60 cents.

The authorized capital of the new company is to be \$400,000 divided into 20,000 shares of \$20 par value, of which 15,000 shares will be distributed to stockholders of Union Safe Deposit and 5,000 to stockholders of Maine Casualty. Each existing share of Union Safe Deposit will receive six shares of the new company and each existing share of Maine Casualty will receive one-half share of the new company.

Union Safe Deposit of Delaware acquired the surety business of Union Safe Deposit & Trust Co. of Maine in 1927. The latter company was established in 1893. Maine Casualty was organized in 1929 by a group of agents in cooperation with interests identified with Union Safe Deposit, to write casualty business exclusively in Maine. Each company has about 125 agents, most of whom represent both companies.

The pro-forma statement of the new company shows assets \$819,975, including cash \$532,162, premium reserve \$120,570, loss reserve \$66,789, capital and surplus \$597,830.

E. W. Cox is chairman of both companies. S. W. Goodwin is president of Maine Casualty, Ralph A. Bramhall is secretary. W. B. Drummond is president of Union Safe Deposit. He was formerly president and is now chairman of Union Mutual Life. Ralph Bramhall is secretary of Union Safe Deposit.

Merchandising Will Occupy One Session

(CONTINUED FROM PAGE 1)

company work to open his own agency office at Newark.

In Calvin How's appearance, members of the National association will have an opportunity to study the qualities behind one of the greatest success stories in insurance production history. Mr. How has been handicapped with extremely poor vision all of his life. His secretary reads all correspondence and trade papers to him, and together they go over the various manuals. Blessed, however, with an exceptionally retentive memory, his physical handicap has in no manner lessened his effectiveness in production.

Mr. How's specialty is accident and health insurance. It is this topic that he will discuss at the convention. He has been among the accident leaders of the Aetna Life for years. In addition, Mr. How has on three occasions been a "Regionnaire" in the life insurance field, this being national recognition for his production record of this business. He

has owned and operated the Calvin How agency at Duluth for at least 25 years, and is general agent for the Aetna Life.

The subject to be taken up by Mr. Huneke (pronounced honey-kee) is inland marine, on which topic he is despite his younger years one of the country's experts and authorities.

He joined the Brooklyn agency of A. J. Corsa & Son in 1924, and there made his first contacts in the marine field. Because of his rapidly growing familiarity and success in the production end of the marine business, W. H. McGee & Company employed him in 1926 as special agent.

Mr. Huneke's advancement in the company angle of marine underwriting and production saw him in 1932 in charge of metropolitan inland marine business of the Royal-Liverpool groups; in 1935 as marine production manager of the New York office of the North America, and in 1937 as manager of the inland marine department of the Eagle Star, which position he now holds. Author of several articles on inland marine insurance, Mr. Huneke is also responsible for the Eagle Star's inland marine manual.

Constitutional Amendments

The subject of constitutional revision to be brought up following completion of the insurance merchandising session is a holdover matter from the Hollywood mid-year meeting of the National association this spring. It was there decided to postpone action until the Boston convention in order that the various state associations be given the opportunity to study and possibly approve the amendments.

Acting upon his own initiative, T. F. Southgate of Durham, N. C., presented his own suggested constitutional changes at the convention, believing them better suited to make the National association "much more democratic in its scope." He also agreed to the postponement.

New Operators Form for Public Employes Issued

(CONTINUED FROM PAGE 15)

duties involved driving a pleasure car or truck was in danger of losing his job if a personal judgment could be secured against him. The new limited operator policy gives these employes a chance to secure insurance protection at a considerably lower rate than previously.

Broad Form Formerly Required

Prior to the introduction of this new form, a public employe who did not own an automobile and thus could not protect himself with drive other cars coverage could obtain an operator's policy at the "X" rate if he drove only passenger cars. If he drove a truck, he had to buy the broad form operator policy, at twice the "X" rate. Some cases were reported where political appointees were advised that they had to secure this protection from politically favored agencies. In cities where the premiums were high, this imposed a heavy burden on the

driver and made lucrative commissions for the "right" agencies.

The old limited drive other cars endorsement has been removed from the manual. It was not specifically withdrawn when the new free drive other private passenger automobiles coverage was promulgated for individual assured, but it naturally dropped into disuse. The new rules state that the new drive other cars coverage can be secured by additional assured other than the named assured's spouse at the same charge as the old form, a sliding scale starting at \$1 and based upon the combined bodily injury liability and property damage liability premium. If the automobile is owned by a corporation, named executive officers may have the additional protection at the same rate. If owned jointly or by a partnership, one joint owner or partner is given the drive other cars coverage free and the other or others may secure it at the published schedule.

New Non-Ownership Rule

The rules for non-ownership liability have been changed to provide for special rating for any risk having 100 or more class 2 employes. These are employees whose usual duties do not involve driving a car in business. Previously a risk had to have 500 or more employees, either class 1 or class 2, for special rating.

The trailer rule has been revised to apply the fleet reductions to trailers. Previously this was not done.

Suspension Rule Broadened

A pro rata suspension credit may now be given for any layup of 60 consecutive days or more. Under the old rules credit was given for suspensions only between November 1 and May 1.

The new private passenger automobile rating plan, with reductions for automobiles not used in business and further reductions based on mileage and number and age of drivers, has been incorporated in the manual as rule 13A, appearing on pages 9 and 9a. It is the same as announced by bulletin last May.

SURETY

New Surety Book by G. W. Crist Is Out

NEW YORK—G. W. Crist, resident vice-president here of the Fidelity & Deposit, has written a book entitled "Corporate Suretyship," which has just been published. In a simple but comprehensive way, it goes into the basic relationship between the principal and the obligee, the promisor and the beneficiary of the promise, and shows how the surety secures that relationship.

"Corporate suretyship has far from achieved the full measure of its usefulness," Mr. Crist states in his closing chapter. "It is in the early part of its full course of evolution. The arc of its future will depend upon those who today take conscientious control of its evolution, ever improving the service it renders and the security it offers. To borrow the well-known inscription upon the sun dial, 'Upon this moment hangs eternity.'"

"Corporate Suretyship" sells for \$4.50 and may be obtained from THE NATIONAL UNDERWRITER.

Johnson Goes to New York

D. F. Johnson, formerly with the American Surety and more recently in the brokerage business in Minneapolis, has joined the Lumbermen's Mutual Casualty and American Motorists and will be located in New York City as manager of their fidelity and surety bond department. He graduated from the University of Minnesota in 1923 and then was admitted to the bar. He joined the American Surety as special agent in Minneapolis and later was transferred

to its Chicago office to take charge of its blanket bond department. He remained until 1929 when he returned to Minneapolis and engaged in the brokerage business.

Cut Va. Public Employe Rate

The Virginia corporation commission has entered an order at the request of the Towner Rating Bureau allowing bonding companies to decrease premiums on bookkeepers, cashiers and clerks employed by the state and local governments in Virginia from \$10 per \$1,000 a year to \$7.50. In the same order the commission approved a new form of bond required by the United States department of agriculture for exporters of government-subsidized cotton.

Demands Detroit Race Track Bond

LANSING, MICH. — Attorney-general Read has demanded that the state treasurer comply with the law in requiring that the Detroit Racing Association, which conducts race meets in Detroit, post a \$50,000 surety bond under its new lease of the track.

In the past the association, although falling behind in its payments of fees to the state, has been posting securities instead of a bond.

Include Some Domestic Servants

LOS ANGELES—Insurance agents and brokers throughout the state are having their attention called to the change in the workmen's compensation act, effective Sept. 9, through which any person engaged in household domestic service who is employed by one employer for over 52 hours per week is included in the act. The effect of the amendment is to provide compensation for such employes. Casual domestic employes such as maids who give only one or two days' service per week are excluded. Heretofore all domestic servants have been excluded. Another new section provides that a written contract entered into between a person engaged in household domestic service and his employer shall raise a rebuttable presumption that the hours of employment specified therein are the hours actually worked per week by the household domestic for his or her employer. Another bill just signed by Governor Olson, effective Sept. 19, provides a mandatory penalty of not less than \$300 on employers who fail to insure for compensation liability.

T. F. Tarbell, actuary of the Travelers, has been appointed to the faculty of the newly established Hartford College of Insurance and will teach the course in insurance organization and management.

The semi-annual statement of Greater New York Taxpayers Mutual shows admitted assets \$3,035,507, increase of nearly \$100,000 since the close of last year, and surplus to policyholders \$1,177,288, a gain of \$170,000.

from "WHAT IS AMERICAN?"

By RAY MURPHY, Assistant General Manager,
Association of Casualty & Surety Executives

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Inept Handling of School Cover Brings State Funds

State fire insurance funds for public schools and other public property can be avoided only if private insurance on these properties is properly written and the officials are given no opportunity to find glaring errors, as they have found in many cases. This was brought out in a review of insurance on these properties at the insurance school of the Florida Insurance Agents Association by J. T. Rhudy, Jacksonville.

At the last session of the Florida legislature, the agents association succeeded in defeating a bill to set up a state fire fund for all school properties. This specter is constantly before agents everywhere. It is important to remember, Mr. Rhudy said, that the State Board of Public Instruction has reported that most school insurance in the larger counties is properly handled, but this is not true in many smaller counties. In one case a building valued at \$18,000 and over-crowded was insured for only \$3,500. The school was a total loss and the minimum essential replacement cost will be \$30,000. In another case a building valued at \$100,000 was insured for \$10,000. This county was already bonded beyond its prescribed limit of indebtedness and could not have replaced the building had it burned. The last session of the legislature passed a school code which, among other things, provided that it should be the duty of school trustees to purchase insurance on school buses and school buildings.

Recommends Blanket Cover

Mr. Rhudy reviewed the three major forms under which school fire insurance may be written, specific, schedule and blanket. Specific insurance means issuing one or more policies on each building to be insured, with a separate form describing each. Under a schedule setup, specific amounts of insurance are placed on each building, but one form describing a number of buildings and placing a specific amount of insurance on each is used. Its advantage over specific insurance is that errors in policy and form writing are reduced to the use of one printed form for all properties. In either case, the buildings may be insured for any amount up to 100 percent of their value. Coinsurance is required in Florida only on fire resistive or sprinklered buildings.

Blanket insurance was recommended by Mr. Rhudy as by far the most advantageous method of covering school property. Insurance may be written at an average rate, covering all properties, with no specific amount placed on any one, provided insurance is carried to 90 percent of the total value of the property. The school district thus has full protection against loss to any of the property, the only chance of not collecting in full being a case where all buildings are totally destroyed at once, which is virtually impossible where the school properties are spread over the county. The ideal situation would be to cover all school properties throughout the state under blanket forms. However, not all school boards are able or willing to pay for insurance sufficient to comply with the required 90 percent coinsurance clause. Hence many, or probably most schools in the state are insured for only a small percentage of their value. Mr. Rhudy outlined the insurance programs of several school

boards in the state and distributed sample forms which had been approved by the Florida Inspection & Rating Bureau.

Mr. Rhudy explained the foundations exclusion, the coinsurance clause and the alterations and repairs permit. He recommended that the foundations exclusion be incorporated only where coinsurance is used. A complete alterations and repairs permit is included without charge in blanket forms, covering repairs and alterations and also new buildings erected on the premises described in the form, subject to the 90 percent coinsurance clause. An example of the advantage of this occurred in Alachua county this year, in which a new school building valued at \$20,000

was totally destroyed before the policies were endorsed to include it. The loss was paid in full and probably would not have been covered under any other form.

Mr. Rhudy closed his discussion with a description of how the school insurance in Dade county was handled by the Greater Miami Insurance Board. An outstanding feature of this case was the dropping of windstorm insurance by the board a year after the schedule was drawn up in 1934. In November, 1935, Miami was struck by a hurricane. Information on the cost of repairs to the Dade county schools has never been made public, but it is believed to be in excess of \$150,000. The following spring the schools were reinspected and insurance was rewritten, with windstorm coverage included. About 10 days later one of the schools was badly damaged by a tornado and the amount paid constitutes the largest insurance loss yet incurred by that school board.

Survey Plan Needed by the Agents in Small Cities

W. D. Lynn of Wabash, Ind., who spoke before the Indiana agents on the use of surveys, calls attention to the fact that he is not a big city agent or high-powered expert. He classifies himself as an ordinary, average, small town agent. He adopted a plan which he has followed and has made money for himself. Several years ago he concluded that the most logical method to use in soliciting insurance was the survey and analysis method. He has found that if agents are going to continue to make insurance surveys they must have a better knowledge of what they are doing. They must know the insurance business before they can use surveys. The survey brings out some interesting information and glaring defects in the way insurance is written. The policies and the amount of coverage in a number of instances are continued from year to year and no attention has been made to changes.

Points That Are Overlooked

He cited a few conditions that he generally finds the average agent is overlooking as follows:

1. Extended coverage endorsement. Strange as it may seem, I still find agents who do not have this endorsement attached to all policies they have issued on the same property.
2. Expediting charges on boiler policies. Most agents overlook this.
3. U. & O. on boiler policies. I don't know why it is, but I find many manufacturing concerns who carry fire and extended coverage U. & O. but with no U. & O. on the boilers.
4. Voluntary compensation for executive officers of a corporation. Within the past few weeks this situation has been taken care of in Indiana, but before I never found a compensation policy issued for a closed corporation that covered the executive officers, although the salaries of the executive officers were included in the payroll estimate and audit.
5. The extra territorial provision of the Indiana compensation law dealing with employees who work outside the state. When is such an employee covered under the Indiana law and when is he covered under the law of the state in which he works?
6. Personal public liability policy. This is the nearest thing we agents have to a comprehensive liability policy,

something all of us have been crying for, and yet I find no one selling it. Beyond a question of a doubt, this is the sweetest policy we have, and no one uses it.

7. Non-ownership auto P. L. and P. D. I find all policies issued to cover just the basic coverages with no thought given to the hired car and truck endorsement, no thought given to the operation of independent contractors, nor for the writing of the personal coverage of Class 1 employees under the certificate plan to give the assured the advantage of the Class 2 rates on such Class 1 employees. Every agent can easily double the premium on the non-ownership auto policies he has in force in his own office, if he will give some thought to the adding of these endorsements.

Two Illustrations Given

8. Now for two illustrations of the most basic and fundamental of all insurance policies, the ordinary dwelling fire and extended coverage policy, and the ordinary auto public liability and property damage policy. Policies all of us issue thousands of, and yet I find that less than 10 percent of these basic policies are issued correctly and I shall make this statement here now: Not one agent out of ten today has his own dwelling policy or his own auto P. L. and P. D. policy correctly.

Mr. Lynn has found after considerable inquiry that about 20 percent or less of the agency force in the country take a keen interest in their business and are qualified to give real service. He said that at least 80 percent of the business can just as well be written direct by paid company representatives and unless the agents equip themselves to render better service the agency system may be destroyed. He summarized the value of insurance surveys as follows:

1. It will do for the agent something that nothing else will do, and that is, it will teach him the business. If an agent does not have a fundamental and basic knowledge of his own business, it will teach him.
2. The making of a survey and analysis is the best known method of meeting cut rate and direct writing competition, because in meeting this cut rate competition there is only one thing in the final analysis which will cause an assured to buy our product and not the

Hoodoo Day Sales Material Now Ready

Complete sales material for the seventh Hoodoo Day drive on Friday, Oct. 13, has been prepared by "The Accident & Health Review," NATIONAL UNDERWRITER publication which sponsors the campaigns.

The "26-13" Hoodoo sales plan which has proved effective in the past is continued with some innovations to generate further interest. An excellent picture of the black cat has been secured for the postcard. This has always been one of the best Hoodoo Day pieces used in the campaign.

Old Man Hard Luck plays an important part in the seventh edition of the "Hoodoo News" and on the front cover he is shown pulling a Black Cat out of the bag, with an admonition to the reader to beware.

Two pertinent sales points are featured in the "News":

"13 people enter the nation's hospitals every 53 seconds for an average stay of 13 days."

"Accident and health policyholders are being paid on the average of \$294,534 a day on disability claims every day, including Friday, the 13th."

The new prospecting folder, in which the agent lists 26 prospects to whom he mails copies of the Hoodoo News and Black Cat postcard before he calls, is cut in the shape of a horseshoe. This is designed so that it can be shown to the prospect in the approach. In the center the list of prospects is headed: "The following, whose names are checked, broke their hoodoo jinx by buying an accident insurance policy." Below the list is the famous Hoodoo Day slogan: "It is the worst luck in the world to refuse to buy accident insurance on Hoodoo Day—Friday, the 13th."

Samples of sales material are inserted in a handy plan portfolio in which the "seven points used for making Friday, the 13th, a lucky day" are outlined. The portfolio gives the complete plan for using the Hoodoo Day material.

Portfolios can be secured by sending 10 cents in stamps to the Accident & Health Review, 175 W. Jackson Blvd., Chicago.

In the Hoodoo Day drive last January, 595 agents wrote 13 or more accident applications, an increase of 153 over the previous drive. As October makes one of the best months for a production drive a new record will undoubtedly be set this fall.

cheaper one. We can discuss the Daw-walter formula until the cows come home, and most assured will agree with us. We can discuss with our assured the idea of consumer cooperatives until hell freezes over and he usually agrees. We can talk about the un-American features of direct buying until we are blue in the face, but there is only one thing which will cause an assured to buy from us. There is only one thing which will cause the scale of balance to tip in our favor, and that one thing is this: The moment the assured realizes we are worth the difference in price, at that moment we will get the business. If we are not worth the difference in price in agency service and in insurance knowledge, we will not get the business. If we are not worth that difference in cost, if our agency service and our knowledge of the business is no better than that of the cut rate and direct writing representative, we are not entitled to the business.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Minnesota Agents Program Announced

MINNEAPOLIS—Sales technique, public relations, successful agency practices and premium financing are among the topics that will get major attention at the annual meeting of the Minnesota Association of Insurance Agents at Brainerd Sept. 8-9.

Wellington Potter, Rochester, N. Y., who will speak both days, will discuss such topics as sales technique, public relations and competition. George Tesson, president of the Insurance Federation of Minnesota, will talk on "Successful Agency Practices," and John P. McGee, St. Paul, past president of the state association, has for his topic, "Premium Financing." R. W. Forshay, Anita, Iowa, who will represent the National association, will speak on "Standard Protection."

Although the meeting is to be held in one of the smaller cities of the state the attendance is expected to equal or exceed that of other annual gatherings. It is possible the association may be asked to take a stand on the federal government's program regarding stored corn. Every regional and local board with the state organization has been contacted on this matter with the suggestion that they advise the Minnesota delegation in congress of their attitude toward it.

President Levant has appointed Sherman Talle of Eveleth, chairman of the nominating committee; E. F. Westrum, Albert Lea, chairman resolutions committee, and L. D. Engberg, St. Paul, chairman constitution revision committee.

Renew Iowa Drive to Double Membership by Sept. 1

DES MOINES—The Iowa Association of Insurance Agents is making a final drive to double its membership over

last year prior to its annual meeting at Mason City Sept. 6-8.

President B. C. Hopkins and John R. Hoff, state agent Boston and Old Colony, made a trip through northeastern Iowa seeking memberships. They visited Clear Lake, Osage, Decorah, Waukon, Elkader, Oelwein, Charles City and brought back eight new paid memberships.

At a meeting with the executive committee and officers of the state association, nearly 100 prospective members were assigned to committees in an effort to secure the quota assigned by the National association prior to Sept. 1. The membership total has now reached 419, only 19 short of the goal.

Harry C. Brown, Mason City, vice-president of the association, announced that the local committee there is planning a stag party for Wednesday evening, the first night of the meeting. Mr. Brown is chairman of the general arrangements committee, working with R. E. Finlayson, T. J. Bracken and Elsie Lunsman. Howard Knesel is chairman of the reception committee, Roger Patten, registration; Ralph Lloyd Jones, attendance; R. E. Finlayson, entertainment; George Harrer, golf, and Mrs. Carl Snyder, ladies entertainment.

Emery Approves Detroit Clearing House Plan

DETROIT—Commissioner Emery, in attendance at a luncheon of the directors of Detroit Association of Insurance Agents, expressed his hearty approval of a program of the local board to eliminate unqualified agents from among the license-holders in Wayne county. W. O. Hildebrand, Lansing, secretary-manager of the Michigan association also spoke.

Commissioner Emery said he recognized fully that organized agents represent a majority of the substantial producers.

Under the program devised by the Detroit association, information regarding all new applicants will be sent to the directors by the department. Such a clearing house method, it is hoped, will prevent the frequent practices in the past of companies appointing as agents men who have been dropped by other carriers or held disqualified and their licenses taken up because of complaints, based on facts, by the organized agents.

Wichita Wants Mid-year Meet

WICHITA, KAN.—Plans for bringing the 1940 mid-year meeting of the National Association of Insurance Agents to Wichita were considered at the Wichita Insurors meeting. V. L. Henry, vice-president and chairman of the executive committee, presided in the absence of President H. N. Fullington. Frank T. Priest discussed several problems.

Wisconsin Tax Bill Defeated

MADISON, WIS.—The Wisconsin assembly refused to reconsider its vote to indefinitely postpone the Douglass bill, No. 762-A, which would have imposed a tax on gross premiums of domestic mutual fire and casualty companies, except town and farm mutuals. The bill was aimed particularly at the large domestic mutuals.

Frank C. Blumeyer of General Insurors, St. Louis, and his bride, the former Miss Nancy Jean Muckerman, daughter of C. J. Muckerman, president St. Louis Fire & Marine, have returned to St.

Louis from their honeymoon. In a few days they will leave for a visit to several of the northern resorts.

Downs Has Adjusting Office

Clinton B. Downs has established his law and adjustment office at 3906 Carew Tower, Cincinnati. Mr. Downs will specialize in multiple line casualty, legal and adjusting work. For the past five years he has been claims manager in Cincinnati for General Accident and Potomac, resigning to open his own office. Before coming to Cincinnati, Mr. Downs handled claims for State Automobile Mutual at Steubenville, Mansfield and Marion and was in the claim department of the Columbus Railways. He received his legal education at the Ohio State University.

Milwaukee Board Outing

MILWAUKEE—Members of the Milwaukee Board, their solicitors, company officials and field men joined in the annual picnic held at Ozaukee Country Club, north of the city. Low gross honors in the golf tournament went to Edgar Schmidt with 77, while Charles Dox was runnerup with an 82. Ray Roets won the approach shot contest.

Names Publicity Committee

KANSAS CITY—President Fred V. Griffith (W. B. Johnson & Co.) of the Kansas City Insurance Agents Association has appointed a permanent publicity committee headed by Joseph H. Ashton of the Ashton agency. Its purpose is to carry the message of stock company insurance to civic and business organizations.

Plan Missouri Agents Gathering

KANSAS CITY—Tentative plans were laid for the annual convention of the Missouri Association of Insurance Agents at the Elms hotel, Excelsior Springs, Mo., Oct. 23-24 at a meeting in Excelsior Springs, attended by William J. Welsh, Kansas City, president, and other association executives.

Default Judgments Secured

W. G. Simpson of Vassar, Mich., receiver for the Lapeer Farmers Mutual Fire, has secured a number of default judgments against former policyholders. Those facing the largest assessments have been fighting the action in various courts attempting to block collection. Suit against W. E. Ivory, former secretary, seeking to collect the amount of an alleged shortage, has not yet been decided.

New Fire Station to Fund

MADISON, WIS.—Insurance on the new No. 7 fire station has been placed with the city fire insurance fund by action of the common council on recommendation of the property and purchases committee. It was reported that the city paid \$78,500 in premiums to companies from 1929-1939, while losses totaled \$2,500. During the same period the city insurance fund was increased from \$60,000 to \$78,281. Fire losses paid totaled \$7,932, leaving a \$70,349 balance. Due to the limited amount in the fund, the city insures only a portion of its risks in the city fund.

Work With Retail Institute

DETROIT—The governing committee of the Michigan Association of Insurance Agents plans to cooperate with the newly formed Michigan Retail Institute, formed to combat the diversion of trade from the retailer and to defend the interests of the "middle man," whose function, it holds, is vital to the American business system. The governing

New Upper Peninsula President Munising Man

O. E. Brown, who was elected president at the recent annual meeting of the Upper Peninsula Association of Insurance Agents,



O. E. Brown

which is a division of the Michigan agents association, is cashier of the First National Bank of Alger County in Munising. He operates an insurance department for that bank. The bank is the second with which he has been connected within the last 23 years, doing an insurance business. He has been in the banking business 30 years, starting with the First National Bank of Marquette, Mich., and then serving as cashier of the Gwin State Bank of Gwin, Mich. He has held his position in Munising since 1923. He attended the University of Michigan and is a native of Missouri Valley, Ia. Last year the banking quarters of the First National Bank were entirely destroyed by fire. However, the bank lost but one day of business and the morning after the fire opened up in temporary quarters and has been doing business under such handicap since that time. The work of restoring the banking rooms has just gotten under way.

The 1940 meeting of the upper peninsula agents will be held in Munising.

committee feels that the purposes of the institute are in line with their own efforts to defend the American agency system.

Keller Kansas Convention Chief

Erwin Keller of the Hussey Agency has been named convention chairman for the annual meeting of the Kansas Association of Insurance Agents at the Jayhawk Hotel, Topeka, Oct. 18-20. Robert Kane is vice-chairman and Edwin Nellis, first assistant. Other committee chairmen appointed by President Fred Straley of the Topeka Board are: Registration, Webb Woodward; publicity, Holmes Meade; golf, Ted Hussey; entertainment, Edwin Nellis; banquet, Fred Straley; reception and transportation, Ed Camp; ladies entertainment, Mrs. Ruth Major of the Briar Agency, representing the Insurance Women's Association of Topeka; hotel reservations, John Hersh. C. G. Blakeley and Glenn D. Hussey of Topeka and Frank T. Priest of Wichita, are in charge of the program.

John Rogers Agency Was Sold

An error was made in stating that the Joseph A. Rogers, Jr., agency of St. Paul had been sold to the Universal Insurance Agency. It was the John Rogers, Jr., agency and not the Joseph A. Rogers Agency, Inc., that was sold.

W. S. Hukill 55-Year Man

CINCINNATI—W. S. Hukill, Jr., prominent local agent, will observe his 55th anniversary in the business Aug. 11. He started in business as a clerk for the old Merchants & Manufacturers of Cincinnati, later becoming secretary. When it was reinsured by Home of New York in 1910, Mr. Hukill established a local agency representing that company, and he has continuously represented the Home since. Mr. Hukill has been active in both the National Association of Insurance Agents and

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the Cincinnati Fire Underwriters Association, and is a past president of the latter organization, serving it in 1922 and 1928. He was a trustee of the Underwriters Salvage Corps many years. Associated with Mr. Hukill in his agency is a son-in-law, Hal D. Balyeat.

Possibility of Profit on Hail

MINNEAPOLIS — Results this month will spell the difference between profit and loss for companies writing hail insurance in Minnesota. During June losses were unusually heavy for so early in the season but since then there has been a letup which has improved the picture somewhat. Should the carriers get through August without abnormally heavy losses they will have small reason to complain. Most of the small grain in this territory has been cut with flax and corn remaining. A severe wind and hail storm hit south-eastern Minnesota early this week and caused quite a heavy loss to crops.

Recognize 25 Year Veterans

INDIANAPOLIS — Seven Indiana agents, most of whom were accompanied by their wives, were guests of the Continental at a luncheon here in recognition of 25 years representation. They were I. M. Gasho, Atlanta; Brainard L. Vawter, Osgood; Alton G. Trusler, of the A. E. Barrows agency, Connorsville; John T. Fritz, Linton; William McAninch, Coatesville; Edgar M. Blessing, Danville, and W. E. Bilsland, Alton Trust Co., Covington. Gold medals and electric clocks were presented the agents. E. P. Carson, Indiana state agent, presided. Special Agents W. E. Matchett and A. J. Mueller were present. Mr. Carson said this was the largest single group of agents in Indiana to receive recognition at the same time.

Regional Meet at Bad Axe

LANSING, MICH.—Three representatives of the Michigan department are planning to attend the Thumb district regional meeting of the Michigan Association of Insurance Agents at Bad Axe this week, including Commissioner Emery, H. B. Corell, first deputy, and Seth Burwell, head of the licensing division. E. R. Moore, state association executive committee member for the district, will be a speaker. James T. Todd and Fred L. Wright of Bad Axe, called the "most friendly competitors in Michigan," are in charge of arrangements.

Ask Agents' Views on Law

Superintendent Lloyd of Ohio has submitted to the Ohio Association of Insurance Agents and the Ohio Association of Life Underwriters, copies of the proposed non-resident agents and brokers law under consideration by a committee of the National Association of Insurance Commissioners, of which Commissioner Harrington of Massachusetts is chairman and Superintendent Lloyd vice-chairman.

Ohio fire and life insurance agents are asked to give their opinion of the proposed measure.

NEWS BRIEFS

The J. P. Mayhugh Agency of Green Bay, Wis., was awarded a silver loving cup by the American Fire of Texas for winning a state-wide contest for writing new fire and tornado during June. John Ciscel, Milwaukee, state agent, made the presentation.

The Kansas Underwriters, Wichita general agency, has moved to larger quarters on the 6th floor of the York Rite Temple building.

M. B. Alexander, for two years deputy state fire marshal, has reentered the insurance business in Bad Axe, Mich.

Ed Porth, of Ed Porth & Sons, Milwaukee insurance agency, was presented with a bronze plaque for having represented the Phoenix of Hartford for 50 years. The presentation was made by H. L. Barren, Milwaukee county manager. Mr. Porth started in business with

the late Louis Auer in Milwaukee. Associated with him now are two sons, Hugo and Monroe Porth, the latter long active in association work.

Annual jamboree of the Toledo (O.) Association of Insurance Agents will be held in the summer home of George W. Senn at Reno Beach, Aug. 22.

Howard Sloneker, secretary Ohio Casualty, is spending several weeks vacationing with his family at Walloon Lake, Mich., after completing negotiations for the purchase of Pennsylvania Indemnity.

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Julian Outlines Needed Legislation

MONTGOMERY, ALA. — Needed insurance legislation, some of which is covered by bills now pending in the Alabama legislature, was outlined by Superintendent Julian in his annual report to the governor.

Among the legislation needed, he said, is a strengthening of the agency qualification law, increase in the financial requirements for mutual aid companies, a uniform law for liquidation of companies and one placing a penalty on the policyholder as well as the company for giving or offering a rebate. He added that a bill prepared by the National Association of Insurance Commissioners in cooperation with the American Bar Association, providing for uniform liquidation of companies, would soon be introduced in the legislature.

In the matter of reserves for insurance companies, Superintendent Julian said Section 8347 of the code should be clarified: "A percentage of unearned premium reserves as expressed in this section should be specifically stated, and the unearned premium reserves should

be set upon the premium charged the public rather than the premium received by the company, less certain deductions that are permitted under the present law."

For Uniform Fire Policy

He said that "a law should be enacted permitting the superintendent of insurance to require a uniform fire insurance policy in Alabama and that Section 8370 of the code, which deals with the placing of insurance with unauthorized insurance companies, should be amended and a penalty added to make it effective. The penalty should be against the holder of the policy in an unauthorized company to disclose that fact at the time of placing the coverage and also at the time any loss should occur."

Superintendent Julian said the amount of insurance written in unauthorized companies had decreased in Alabama, due largely to the publicity given the matter by his office.

For the fourth consecutive year, he said, fire insurance losses in Alabama showed a decrease. Premiums paid to licensed fire companies totaled \$6,551,885, with losses incurred \$2,283,414.

Oklahoma Figures for 1938 Are Given

OKLAHOMA CITY—Figures compiled from statements filed by 200 stock fire companies with the state for 1938 show that the net premium income amounted to \$10,906,220, with paid losses of \$6,403,772 and a loss ratio of 58.71 percent. This is compared to 1937 with 196 companies showing premiums collected of \$11,191,576, paid losses of \$4,280,835 and a loss ratio of 38.25 percent. The fire portion of the 1938 income, which includes motor vehicle fire premiums, amounted to \$5,853,548, with paid losses of \$2,256,877, showing a loss ratio of 38.55 percent similar items of the 1937 experience was \$6,111,167, with paid losses of \$1,873,350 with a loss ratio of 30.65 percent.

Miscellaneous premiums of 1938 were \$5,052,672 with paid losses of \$4,146,895 with a loss ratio of 82 percent. This compared in like with the 1937 showing of \$5,080,409, paid losses of \$2,407,485 or a loss ratio of 47.38 percent.

Study Club Will Start at Nashville

NASHVILLE, TENN.—A weekly "Study Club" for all employees of stock companies in Nashville and middle Tennessee, sponsored by the Nashville Association of Insurance Women in cooperation with the Tennessee Association of Insurance Agents, is being planned with the first session to be held as soon as possible.

Although all stock company agents and their employees may attend the proposed study club is a project of the Nashville Association of Insurance Women and organization will be completed this week with the appointment of committees on curriculum, faculty, and arrangement. Mrs. Howard Robinson, vice-president, has conferred with Manager John D. Saint, of the state association, on preliminary steps for the pro-

ject. Outlined courses of the Insurance Institute of America, New York, will be followed.

Average Rather Than Flat Rate Reduction in Texas

DALLAS—The 10 percent reduction in Texas fire rates which is to be announced on Aug. 15 to be effective Sept. 1 is expected to be an average rather than a flat reduction.

While the state board may not inaugurate any changes in its rate making policies in connection with the coming rate slash it is understood that in the future it will extend the maximum credits of 25 percent for good fire records to a number of smaller towns in the state, towns which now are allowed a maximum of only 15 percent. These towns would include a good many in central Texas where members of the legislature declared insurance rates were too high when figured on basis of loss ratios in those towns. These towns have always had good fire records, but under the present set-up their premium income did not permit them to get in the 25 percent class.

It is also understood the board may try using a 10-year period instead of five as a basis for rate making in Texas. At present a fire year premium income and loss ratio basis is used for making rates. It is claimed the 10-year plan probably would be more agreeable to the companies and the public.

To Appeal License Revocation

J. L. Story, Portsmouth, Va., local agent, is planning to appeal from action of the corporation commission revoking his license. His attorney has asked for a transcript of the record in the case for the supreme court of appeals. Revocation of the license came after a hearing on a complaint that Story solicited a fire insurance policy while his license was inoperative early this year and that he had misrepresented a mutual.

Observe Coleman's 29th Year

The 29th anniversary of F. W. Coleman & Co. agency, San Antonio, Tex., was observed with a luncheon attended by 46 people, including the office and agency forces. Mrs. Lucille Oliver was awarded a 10-year service pin. Twenty-two of the group have been with the company from 10 to 24 years. In July, anniversary month, 2,000 new policies were written by members of the agency.

Spencer Elected in Chattanooga

CHATTANOOGA, TENN.—Herbert W. Spencer, in the insurance business here since 1903, was elected president of the Chattanooga Exchange succeeding W. C. Brown. Other officers are: Charles S. Colburn, vice-president; P. S. Daniel, treasurer; J. E. Watkins, secretary; J. W. Oliphant, Hugh Hufaker, W. S. Keese Jr., James B. Irvine and Web C. Brown, directors.

Louisiana Faculty Announced

Instructors for the short course on insurance at Louisiana State University, Aug. 15-17, sponsored by the Louisiana Insurance Society, will include Dr. Risinger of the university faculty, W. J.

Farbor, Louisiana Casualty & Surety Rating Commission; A. P. Frances, Hartford Steam Boiler; O. E. Blake, Travelers; Thomas Hayes, Louisiana Rating & Fire Prevention Bureau; John M. Harrison, Royal-Liverpool groups; G. E. Gillis, Gillis-Winkler Insurance Agency; E. Dana Johnson, W. H. McGee & Co., Atlanta, and Felix Hargrett, Home group, Washington, D. C.

Nashville Meets Requirements

NASHVILLE, TENN.—The recent cut in fire insurance rates on protected dwelling and apartment house property in Nashville was conditioned on certain



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fire department changes, principally the employment of two battalion chiefs to relieve two assistant chiefs. Commissioner Luton has announced the appointment of these battalion chiefs in spite of the opposition of Mayor Cummins for economic reasons. The assistant chiefs were frequently required to remain on duty seven days in the week and from 14 to 20 hours a day.

New Virginia Legislative Lineup

RICHMOND — E. E. Holland, Suffolk, Va., banker, is slated to be the next chairman of the Virginia senate's insurance committee. He was renominated for the senate in last week's Democratic primary. Senator Shumate of Giles county, chairman of the committee, did not stand for reelection. Senator Holland was next in line. C. C. Louderback of Page, renominated for the house, is in line for chairman of the house insurance committee to succeed M. R. Morgan of Botetourt, who was appointed commissioner of banking. Frank Moore, Lexington local agent, who was renominated, will continue as chairman of the house appropriations committee. He is also a member of the committee

on insurance and banking. E. P. Barrow, Brunswick, patron of the counter-signature bill, at the last session, was defeated for renomination by M. H. Abernathy, Northwestern Mutual Life agent. E. G. Jordan, Richmond manager Commercial Casualty, was nominated for the senate. Nomination in the Democratic primary is tantamount to election.

Rate Increase for Paducah

LOUISVILLE — George H. Parker, manager Kentucky Actuarial Bureau, who spent a day in Paducah in connection with the bureau's plan for increasing fire insurance rates there because of the poor condition of the Paducah fire department, states that the Paducah department in 1930 was in good shape, with 41 men under a single platoon basis. Today there are but 29 men in the department, on a double platoon basis, which means with vacations, there are probably less than 12 men available at times. Of the 29 men in the department 12 are over 55 years of age, and six are 62 or older.

In 1930 when the town was last rated there were five good pumpers, an aerial

truck, and a ladder truck. The aerial truck has been junked, two of the pumpers are in very poor condition, one is fair and two are good.

The condition of the department does not entitle the city to the rates that have been enjoyed. The rate increase will probably be about 15 percent.

Hassinger Offers Service Award

James E. Hassinger, past president of the Louisiana Insurance Society and New Orleans Insurance Exchange, has offered an award to the local exchange rendering the most outstanding service to the state society for the remainder of this fiscal year.

New County Board Formed

The South Carolina Association of Insurance Agents announces that a new county board has been formed in Union county, with the following officers: Luke J. Wilburn, president; W. W. Alman, vice-president, and Hubert H. Sprouse, secretary.

Opens Unit in Houston

The Coffman, Daily & Aldridge general agency of Austin, Tex., has opened a supervising office in the Cotton building, Houston, with W. A. Daily in charge. When J. H. Aldridge joined the firm last May, a supervising office was established in Fort Worth with Mr. Aldridge looking after west and north Texas in addition to Fort Worth. The establishment of these offices does not affect the main office operations in Austin. All underwriting matters and other details are still handled there with W. R. Coffman in charge. He is assisted by L. A. Pedigo. The company representation includes Pearl, Eureka-Security F. & M., Monarch Fire, American Home Fire, American Home Underwriters, New England Underwriters of New England Fire and the Security of New Haven for marine only.

Gainesville Verdict Set Aside

Federal Judge Underwood at Atlanta, Ga., has set aside a \$20,000 verdict given the Pruitt-Barrett Hardware Company at Gainesville, Ga., which was seeking to recover insurance for losses at the time of the tornado from the Minnesota Implement Mutual Fire, the Hardware Mutual Fire of Minneapolis and the Hardware Dealers Mutual Fire of Stevens Point, Wis. The court took the defense attorney's request for a directed verdict in their favor under advisement after they sought to prove that the fire which consumed the building and its stock started after the wind caused the structure to collapse on a coal stove and that under the policy terms the companies were not liable. The defense produced as a witness the only survivor of those in the building when the tornado struck the city.

Sumner Is Oklahoma Secretary

M. L. Sumner, Oklahoma City local agent, has been named secretary of the Oklahoma Association of Insurers, to succeed H. T. Moran, recently resigned. Offices of the association have been removed to adjoin those of the new secretary, in the Ramsey Tower.

Retailers Rap Cooperatives

B. P. Carter, manager at Richmond, Va., for a group of fire companies, spoke before the Retail Merchants Association of Virginia at its annual convention at Old Point Comfort, warning against the encroachment of cooperatives on private business. He sold the idea so well that the association has since issued a pamphlet attacking cooperative buying and selling organizations, with the plea that they be required to share with regular merchants the burden of license and other taxes.

Cotton Warehouse Carries Cover

MEMPHIS — Effective Aug. 1, by a change in the laws governing their operation, the warehouse and not the owner carries insurance on cotton stored in Federal Compress & Warehouse Co.

buildings, according to R. L. Taylor, chairman of the warehouse board of directors. This insurance is carried without cost to the growers.

New Georgia Boards Formed

John W. Carswell of Savannah, president Georgia Association of Insurance Agents, announces that local boards have been formed in Waycross, Albany, Gainesville and Columbus.

Yazoo Delta Agents' Scholarships

CLARKSDALE, MISS. — Eight years ago the Yazoo Delta Local Insurance Agents Association began giving scholarships to one boy and one girl at Sunflower Junior College of Moorehead. J. H. Johnson, chairman of the scholarship award committee, has announced the selection of Blanche Norman of Rich and Billy Lester of Leland to attend the college for the next two years at the association's expense.

NEWS BRIEFS

Knickerbocker of the Corroon & Reynolds group has entered Florida, being represented by the George E. Edmondson & Co. general agency of Tampa. Knickerbocker replaces Sussex Fire in the Edmondson agency. Sussex is being retired from the field.

Henry M. North, Jr., former president of the **Augusta (Ga.) Board** has returned home from favorable treatment at the Mayo Clinic at Rochester, Minn.

C. K. Roberts, an attorney, has been appointed chief deputy to Guy E. Williams, Arkansas state fire marshal. He will assist in investigation and prosecution of arson cases.

The **Tallulah (La.) Insurance Exchange** has been organized, with all six agents there as members.

Godchaux & Mayer of New Orleans are celebrating their 25th anniversary as general agents in Louisiana.

COAST

Idaho Convention Program Is Given

The program for the annual meeting of the Idaho Association of Insurance Agents to be held at Sun Valley Aug. 25-26 is announced. R. S. Campbell of Boise is president and Fred G. Ensign of Boise is secretary. H. H. Lipps of Lewiston is national councillor. R. L. Countryman of San Francisco, coast manager of the Norwich Union and president of the Pacific Coast advisory committee of the Inland Marine Underwriters Association, will talk on "Marine Insurance." T. M. Walrath of Boise, Idaho director of insurance, will talk on "Your Lot and Mine." Paul R. Summers, Hartford Steam Boiler, Salt Lake City, will talk on "Steam Boiler and Machinery Insurance." B. K. Campbell, Seattle manager National Bureau of Casualty & Surety Underwriters, will speak on "Trends in the Casualty and Surety Business." The special agents associations of Spokane and Salt Lake will be assigned places on the program. The second day of the convention will be devoted to committee reports and agents' problems.

California Dates Changed

Originally scheduled for Nov. 6-8, the annual convention of the California Association of Insurance Agents in Oakland will be held Nov. 13-15 in order that the dates may not conflict with a

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special election which is being held in California on the original dates. Officers and committee chairmen in charge of arrangements for the convention are holding a dinner meeting this week at the Hotel Oakland to complete plans for the convention.

San Francisco Fire Premiums Increase

SAN FRANCISCO—Fire premiums written in San Francisco during the first six months by the 272 members of the Underwriters Fire Patrol amounted to \$1,879,106, an increase of \$48,148. The Home of New York leads with \$86,650 premiums against \$88,468 for the same period last year. The Fireman's Fund is second with \$84,610, an increase from \$69,274 in 1938.

Leaders for the six months with comparative figures follow:

	1st 6 Mos. 1939	1st 6 Mos. 1938
Home	\$86,650	\$88,468
Fireman's Fund	84,610	69,274
Pearl Assurance	79,966	79,847
Continental	77,340	82,745
Royal	73,406	78,946
Pacific National	56,072	52,252
Aetna	55,471	55,271
United States	55,348	61,039
Hartford	54,105	63,271
North America	50,209	60,175
L. & L. G.	41,855	43,836
Security	39,315	49,981
Travelers	33,875	33,280
Atlas	32,344	30,426
Merchants Fire	30,980	20,494
United States Ind.	30,648	37,755
Fire Association	29,994	5,264
St. Paul F. & M.	29,618	25,865
North British	29,502	20,543
Oglethorpe Ind.	28,817	30,423
London & Lancashire.	27,799	20,683
Agricultural	27,449	20,625
Millers National	25,971	19,623
Amer. F. & M. Ind.	24,888	28,147
Sun	24,488	12,696
London Assurance	23,474	19,814
	23,177	23,803

Surplus Line Association Is Formed in Oregon

A surplus line association has been organized in Oregon modeled after the organization that is operating so successfully in California. Those who took the leadership in organizing the Oregon association in cooperation with the Oregon department are J. E. Fink of Swett & Crawford; Hugh Lacey of Phil Grossmayer general agency; James Hurley of Cravens, Dargan & Fox; Ferry Smith of Dooly & Co., and John Banks of the Banks agency.

Seek Slum Clearance Cover

DENVER—The Colorado Association of Insurance Agents has appointed a committee to work toward getting the insurance on several slum clearance projects which will be started here shortly. Members of the committee are: Harold Wilbur, chairman; Meredith Bromfield, and Frank England, Jr.

Mr. England was appointed as the general chairman of the convention committee for the annual convention of the Colorado association here Sept. 15-16. A committee was also appointed to enlist new members. Commissioner Kavanaugh will appear on the program, along with one or more speakers from the National association.

Reciprocal License Hearing Aug. 15

HELENA, MONT.—The hearing in regard to the restraining order secured by the Brooks Realty Co., Livingston, Mont., against Commissioner Holmes on granting Montana licenses to the Farmers Auto Inter-Insurance Exchange and the Truck Insurance Exchange of California, has been postponed to Aug. 15.

At its last session, the legislature defeated a bill to permit reciprocals to transact business in the state. Later Attorney-general Freebourne ruled that reciprocals or inter-insurance exchanges are eligible for license in Montana as there is no statute in the state specifically

ally permitting or prohibiting an organization of that type to be licensed.

Arnold Huppert and Joseph Brooks of the Brooks Realty Co. then petitioned the Lewis & Clark county district court for an order permanently restraining Mr. Holmes from granting Montana licenses to the two exchanges.

Caminetti Visits Los Angeles

LOS ANGELES—Commissioner Caminetti paid his first official visit to Los Angeles and became acquainted with the personnel of the southern California office as well as with a number of prominent insurance men who called to pay their respects. He was accompanied by Eugene P. Fay, assistant commissioner. Judge Caminetti said the governor desired that the department be completely divorced from politics and operated in the interest of the public. The personnel of the Los Angeles office will be augmented to enable it to give better and more prompt service.

Confir on Montana Audit Bureau

HELENA, MONT.—The Montana Special Agents Association committee, composed of James W. Martin, John Pratt and Werner Bloomdahl, have returned from a meeting with the executive committee of the Pacific Board in San Francisco.

Matters pertaining to the new audit bureau and enforcing of separation in Montana were discussed.

Refund on Oregon Dues

PORTLAND, ORE.—The executive committee of Oregon Insurance Agents Association has voted to refund a portion of the membership dues covering the three-year period ending Aug. 31. The distribution will be made to all members in good standing at the close of the year and will approximate one-third of the dues paid. Funds are now available in the association's treasury from commissions received on public business handled by the association as a group.

NEWS BRIEFS

A thorough explanation of group medical and hospitalization insurance was given to the San Francisco Insurance Women's League by Milton Monash, superintendent of the Associated Indemnity's hospitalization department for northern California.

San Francisco offices of the Firemen's group were closed Aug. 5 while members of the staff enjoyed a boat ride around San Francisco Bay, followed by a picnic, sports events and other entertainment at Paradise Cove in Marin county.

There was a loss of \$170,000 on the Feather River Lumber Company at Del-leker, Cal. It is charged that the blaze was incendiary. The fire burned for three days. Use and occupancy insurance loss will be about \$10,000. Over 80 percent of the insurance is in the Northwestern Mutual Fire and the rest with the Lumbermen's Mutual of Mansfield, O., Lumber Mutual of Boston, Pennsylvania Lumbermen's Mutual, Indiana Lumbermen's Mutual and Central Manufacturers Mutual.

A broken flange in the riser pipe of a sprinkler system caused a loss of \$8,000 sprinkler leakage at the Oakland, Cal., plant of the Eldorado Oil Works. Adjustment cannot be completed until 11,000 tons of copra stored in the bin affected can be removed and conditioned.

Kemp S. Dargan, of Cravens, Dargan & Co. of Houston and Cravens, Dargan & Fox of San Francisco has been in Denver for several weeks.

The Fitchburg Mutual Fire has filed notice of intention to withdraw from California.

Fire and casualty agents of Quincy, Mass., under the chairmanship of George A. Goodhue & Co., have taken preliminary steps looking to the organization of a local board.

EAST

Gontrum Is Pushing Fire Prevention Crusade

BALTIMORE—Commissioner Gontrum of Maryland has begun to develop great activity in promoting the elimination of fire risks and in enlisting not only the full time members of the Baltimore fire department, but the various volunteer organizations throughout the state in the renovation or abolition of fire traps, and to secure the installation of fire prevention and safety devices.

He plans a concerted state-wide movement towards the abatement of fire hazards and an educational campaign to reduce fire losses and deaths from accidental burns.

Mr. Gontrum reports that he has found a spirit of cooperation in the movement and he mentions that J. M. Just, director of the extension service of the college of engineering, University of Maryland, is holding a two-day course of instruction at College Park Aug. 17-18 for volunteer firemen. They will be graded by Mr. Just after an examination, on the basis of which selections will be made of deputy fire marshals, to cooperate with the commissioner in inspecting buildings. There are no funds available for a deputy fire marshal, and in this situation Mr. Gontrum himself will act in that capacity, his deputies chosen and serving without compensation.

Notable Speakers Carded for N. J. Agents Meeting

NEWARK—The annual convention of the New Jersey Association of Underwriters to be held at the Berkeley-Carteret Hotel, Asbury Park, N. J., Sept. 7-8, promises to bring together one of the largest gatherings of insurance men ever held in the shore resort.

Among speakers scheduled are Walter H. Bennett, general counsel National Association of Insurance Agents; Ray Murphy, assistant general manager Association of Casualty & Surety Executives; W. H. Whitney, New Jersey Association of Credit Men, and V. E. Vining, director of department store sales of Westinghouse Electric.

Governor Moore is expected to speak at an informal banquet the evening of Sept. 8, as well as Commissioner Reilly and Deputy Motor Vehicle Commissioner Dearden.

There will be a rural agents forum divided in three sections, followed by an "information please" program, concluding with a "quiz."

Social activities will include golf, and for the ladies, bridge, teas, movies, and other entertainment.

New Jersey Agents to Hold Clinic for Credit Men

NEWARK—The insurance committee of the New Jersey Association of Credit Men has invited the New Jersey Association of Underwriters to conduct a series of fire insurance clinics for the credit men next fall. The general topic will be insurance in relation to credit, and the "insurance statement," the "fact finder," if adopted, and other credit men's forms and methods of gathering and analyzing information.

The invitation was accepted. Herbert L. Brooks, president Essex Board of Underwriters, with F. B. Heller of the Schlessinger-Heller agency, Newark, and Harold E. Taylor, sales promotion manager American of Newark group, are arranging for speakers, who will be agents and members of the New Jersey Association of Underwriters. The clinics will be held in Newark, and speakers probably will be selected from the Essex Board.

If the plan proves successful, other states may follow suit in acquainting credit men with insurance problems.

An evening each will be devoted to fire, casualty, surety, inland marine, general insurance and life insurance. The clinics will be for two hours, one for lecture and one for discussion.

All lectures will be prepared in advance and at the conclusion will be printed, together with ideas advanced in the discussions, for distribution to members of both associations.

The Lawrence (Mass.) Board held its annual outing at Howard's Grove, Big Island Pond.

MARINE

Commission Scale on War Risk Cut

About 5 percent less commission will be allowed on war risk policies under the setup that goes into effect Sept. 1 of the new American Cargo War Risk Reinsurance Exchange which is being set up in New York.

The commission scale for agents and brokers will be 10 percent, except for brokers who maintain their own offices and have no connection with agencies, who will be granted 12½ percent. The

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scale heretofore has been 10 percent to brokers and 15 percent to agents.

The Sept. 1 date will affect all risks bound on and after that time, or declarations made under open policies on and after that date. The new commission scale applies on exports and import business, but not to shipments of specie, coastwise, intercoastal and Great Lakes shipments, or shipments by registered mail, parcel post or airplane.

Exchange Being Closely Watched

There is much interest in the new exchange because of many rumors that the government would stand behind if not actually subsidize the American companies writing war risk insurance to meet the competition of foreign government subsidized war risk pools.

Conditions were difficult for the American companies in this line due to the fact that foreign importers and exporters used their influence with American firms to place the war risk cover with the foreign pools, marine men say. The foreign sellers shipping goods to this company would suggest to buyers over here that the war risk cover be placed in their government pools, making the sale "CIF" to the American importer, and on exports from America the foreign buyers would suggest purchasing on "C&F" terms, likewise placing the war risk and marine cover with their government pool.

An important factor in the decision of American companies to form their own pool was that the marine line on international shipments usually follows the war risk coverage. The American coverage also is considered to be broader than can be secured overseas. Primarily an American pool offers shippers the advantage of American security with assets on this side of the water in case of war or other international complications abroad, and also complete elimination of currency and exchange problems.

Allen Heads New Department

BOSTON—Hollis, Perrin & Kirkpatrick of Boston is opening a marine department under the management of Byron M. Allen. Mr. Allen is a native of Maine and had 20 years agency experience with Field & Cowles before organizing the marine department of the Employers Fire. He has traveled New England as special agent and the past

five years been a broker in the office of Appleton & Cox. He served for many years as treasurer of the Insurance Society of Massachusetts.

Ohio Will Check on Licenses

COLUMBUS, O.—The Ohio department has announced that agents or solic-

itors licenses for railroad and steamship employees and travel agents or agencies for companies writing inland marine insurance will not be renewed on the expiration of existing licenses, which expire June 30, 1940, where such licenses are obtained principally for the purpose of selling baggage ticket insurance.

MOTOR INSURANCE NEWS

N. J. Issues Finance Rules

The New Jersey department has issued definite rules and regulations effective Sept. 1 regarding the insurance of financed automobiles under the authority of a law passed by the 1939 legislature. The department requires that every certificate issued in connection with the master policy shall contain the name and address of the purchaser or owner, all perils insured against as specified in the master policy, the premium applicable to each peril, the term of the coverage, a description of the property insured; the provisions of the master policy relating to cancellation pertaining to the interest of the purchaser, regarding filing notice of proof of loss, payment of unearned or return premiums, payment of policyholders dividends or unabsorbed premiums if any and any provision on which defense to a claim by or on behalf of the purchaser might be based. There must be an indication of whether the policy is single or multiple interest and the nature of the interest of each party interested.

Provisions That Are Barred

No master policy or individual contract shall contain any provision for the avoidance or cancellation of the insurance against any specified peril because of the procurement by the purchaser for coverage of his own interest of other insurance when such peril is insured by the policy only with respect to interests other than the interest of the purchaser.

Whenever an insurer shall be directed by the purchaser to deliver an individual contract to a finance company, the insurer shall furnish a certificate which is an exact duplicate of the individual contract, to the purchaser.

Whenever an individual contract is cancelled by any party other than the purchaser, as a result of assignment of such contract, or otherwise, notice shall be mailed to the purchaser, containing a statement of the amount of the return premium payable and the amount of the interest therein claimed by the person cancelling the contract.

RULING ISSUED IN KANSAS

TOPEKA—Commissioner Hobbs of Kansas has issued a ruling, effective Sept. 1, that conditional sales vendors and mortgagees can only be included in policies on financed automobiles as such, and their interests in the policy limited to participation in recoveries under the peril insured against as their interest may appear; that the words "on demand" must be deleted from the cancellation clause of present and future policy forms; that the limitation on suits against companies in policies issued in Kansas must be five years.

Mr. Hobbs states that he is informed that policy and endorsement forms that have not been accepted for filing or approved by the department are being used in Kansas. The Kansas department, he states, has never accepted for filing or approved master or open contracts for use in insuring automobiles.

The issuance of policies on financed automobiles, wherein the conditional sales vendor or mortgagee is included as an assured has led to considerable difficulty in regard to the return of unearned premiums and cancellation, he states. The purchaser pays for the policy and is entitled to the unearned

premium. In the interest of the policyholders the conditional sales vendor or mortgagee, if named in any policy, should be designated as such and his interest limited to participation in recovery under the perils insured against. Such limitation may be by endorsement or otherwise, providing the terms of such endorsement have been accepted for filing or approved by the department.

Most present policy forms now require a demand on the part of the assured before any return premium is due on cancellation. The department has received numerous complaints from policyholders that are unable to recover unearned premium on cancellation.

Most present policy forms, he states, provide a period of limitation on suits against the company. Most of these limitations are for a lesser period than the five year limitation provided in the Kansas statute. The Kansas law provides that this period cannot be lessened by agreement of the parties.

IOWA RULING ALL EMBRACING

DES MOINES—Attention has been called to local agents in Iowa that all insurance policies on financed or mortgaged automobiles must be actually delivered to the assured purchaser or owner. Loans have been creeping into banks and other lending agencies and it has escaped the attention of many local agents, who have assumed that the ruling made in Iowa, known as P-2, applied only to regular finance companies. The P-2 ruling became effective May 1, 1938 and established requirements for the issuance and cancellation of all types of insurance covering financed or mortgaged automobiles.

Automobile Figures for Oklahoma Given

OKLAHOMA CITY—Decided increase in loss ratio on fire and theft coverage for automobiles with stock companies for 1938 is shown in the report of the insurance commissioner while other lines covered show only a slight increase. For 1938 there were 175 foreign stock companies writing motor vehicle coverage for all hazards, except liability. Net premiums of \$651,390 were collected with \$507,438 paid losses or a loss ratio of 77.90 percent. Net premiums on all other classes of automobile coverage amounted to \$2,199,206, with paid losses of \$1,308,674 and a loss ratio of 59.50 percent.

For 1937 the 175 companies collected fire and theft premiums of \$759,642, paid losses of \$370,296 with a loss ratio of 48.74 percent. On all other classes of coverage they collected \$2,527,886, paid losses of \$1,422,068 with a loss ratio of 56.25 percent.

"Premium income of the 175 stock companies on automobile fire business decreased \$108,782 while the losses paid were increased \$136,645. All other lines written by these same companies decreased \$319,298 and the losses paid were also decreased \$105,669," according to the report.

Countersignature Is Required

BOSTON—A new Massachusetts law now requires that all insurance policies and certificates covering financed automobiles must be countersigned by authorized local agents. The law makes

it illegal to deliver any policy or bond in Massachusetts unless so countersigned under penalty of a fine of from \$50 to \$500. The same law provides that buyers of cars under the installment plan must be given a copy of the insurance policy or a certificate showing the amount and cost of the coverage.

Protest Dealers' Keeping Dividends

OLYMPIA, WASH.—Complaint has been made by the Insurance Agents League of Washington that the retention of dividends paid under mutual policies written by certain automobile dealer-insurance agents is contrary to law. The agents' organization has asked the Washington department to reopen the question and secure reconsideration of the matter by the attorney-general.

The practice, it is alleged, is for the dealer-agent to write a policy in the mutual at the time of the sale of the automobile under a conditional sales contract. The dividend on the policy is kept by the dealer on the theory that he is the holder of the policy. The agents protest that this stand is incorrect and that the car purchaser is actually the insured and entitled to the dividend.

The California department has approved the name of the El Camino Automobile Club of Los Angeles, a new organization said to be sponsored by automobile dealers.

CANADIAN

Canadian Taxes Are Increasing

TORONTO—Taxes paid directly by fire and casualty companies operating in Canada are mounting steadily and when final figures for 1938 are available it is expected that a new high record will have been established. In 1936 the ratio of taxes to earned premiums was 5.54 percent, and in 1937 it was 5.17 percent. It is anticipated the 1938 figure will be between 5.55 and 5.60 percent. The outlook for 1939 is not encouraging, due to mounting government debt, the increasing deficit of the government-owned Canadian National Railways and the continued serious relief situation. Taxes paid by fire and casualty companies in Canada totaled \$2,500,359 in 1928, increasing to \$3,679,161 in 1937, and probably will be about \$3,750,000 for 1938. This would represent 50 percent increase in the nine-year period.

Vancouver Rates Reduced

VANCOUVER—The British Columbia Underwriters Association has announced a 10 to 28 percent reduction in fire insurance rates in Vancouver. The new rates apply on new business and renewals written after Aug. 1.

Death of John T. Truman

John T. Truman, former president of the Ontario Fire & Casualty Insurance Agents' Association, and well known in Hamilton, Ontario, insurance circles, died at his home there.

Inland Transportation Group Elects

TORONTO—The Canadian Inland Transportation Underwriters Association at its general meeting here elected: Chairman, E. W. Schaffler, Western; A. Powis, Jr., Chubb & Son, Montreal; A. Tucker, Dale & Co., Toronto; R. H. Leckey, Aetna Fire, Toronto; P. A. Codere, St. Paul F. & M., Winnipeg; S. M. Elliott, Elliott & Vance, Montreal; and J. H. Riddell, Eagle Star.

Christopher Wins Day Trophy

VICTORIA, B. C. — Arthur Christopher of Christopher & Swayne, carried off the R. S. Day golf trophy at the annual tournament of the Victoria & District Fire Underwriters Association. W. S. Day, Vancouver, B. C., agent and son of the late R. S. Day,

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Victoria agent, in whose honor the trophy was presented, officiated in the presentation of the award. A banquet was attended by several noted figures in British Columbia insurance circles, including Superintendent Garrett.

New British Columbia Board Name

The name of the board created last year to act in an advisory capacity to the superintendent of insurance of British Columbia, has been changed from advisory board to the Insurance Board of British Columbia.

Drop Mandatory Floater Form

TORONTO—The personal property floater (householder's form) no longer has mandatory standard forms for the policy, application, rider and endorsement, it is announced by the Ontario department. Superintendent McNairn states that "representations to the department appear to show that the mandatory forms have been altered and extended in various respects by a number of insurers, and it seems impossible to secure universal adherence to their use."

NEWS BRIEFS

The County Fire has reinsured its business in the province of Quebec with the Great American.

The Royal Adjustment Company has been started in Montreal by Alfred C. A. Noel, claim adjuster for the Employers' Liability from 1915-1920, later serving with the Royal Exchange, then Western group, and latterly with Shaw & Begg.

Half-Year Results in Boston

BOSTON—Premium returns of the fire companies to the Boston Protective Department for the first half of 1939 show a decrease in income for the stock companies of \$191,904 and an increase for the mutual companies of \$40,381 over the corresponding period for last

year. The total premium income was \$2,610,700 as compared with \$2,802,604 in 1938, with the mutuals writing \$386,873 of the amount as compared with \$346,492 in 1938. The leading companies by returns are:

Home, \$72,487; Pennsylvania, \$54,984; Royal \$47,561; Great American \$46,863; Boston \$44,036; Hartford \$43,709; National Fire \$43,399; Continental \$41,196; North British \$36,721; Fidelity-Phenix \$35,729; Aetna Fire \$34,380; Niagara \$32,179; North America \$32,004.

Hold Two Day Hearing in Hartford on Missouri Case

(CONTINUED FROM PAGE 11)

Street, and accepted unquestionably the latter's explanation as to the purpose of the advance funds asked for. Having known Mr. Street in a business way for 20 years he emphasized the reputation the latter enjoyed for getting things done; an opinion not lessened by Mr. Long's feeling that Mr. Street rather had a sneaking contempt for home office officials generally, referring to them as "the wise men of the east."

Though often repellent in manner, Mr. Street, Mr. Long maintained, had been a tower of strength to fire interests, and it was to him pathetic that a life so filled with achievement as was that of Mr. Street's, should have ended under such a blight.

Other officials who gave testimony were: J. F. Gilliams, vice-president Camden Fire; R. D. Safford, vice-president Travelers; J. D. Smart, president, and G. W. Swallow, secretary New Hampshire; H. P. Whitman, vice-president Phoenix; J. K. Hooker, vice-president Automobile; C. P. Smith, secretary Hartford, and W. H. Talcott, auditor Scottish Union.

Alfred Stinson, retired vice-president Automobile, who was to have appeared, was excused on account of his health.

Instead his understanding of details of the May meeting here was as here given, which statement was incorporated in the records.

Dated May 4, it read in part: "An effort is being made to settle the Missouri rate case through the intervention of those who wish to terminate this long-drawn out legal struggle, and what is now proposed is that 80 percent of the impounded premiums shall be returned to the companies, 10 percent shall go to the public and 10 percent will be the expenses in the handling. We were asked to contribute as an advance for legal expenses the sum of \$37,500 as the participation of the group of companies centered at Hartford."

"Mr. Street is to turn this money over to the attorneys, Hicks & Follon, but it is not to be delivered unless the settlement, as above referred to, is effected. After the agreement is effected, the attorneys will appear before the court and secure its approval to a stipulation, and the advance money will be accounted for."

The sums received by several companies under the 11 percent refund and 5 percent return contribution arrangement were: Travelers, \$19,224; \$8,738; National Fire, with impoundings of \$373,102, paid \$18,655; Phoenix group impoundings, \$312,654, paid \$15,632; New Hampshire group impoundings, \$93,043, paid \$4,652; Automobile impoundings \$133,169, paid \$6,658.

New Department Heads for Cravens, Dargan & Co.

Cravens, Dargan & Co., insurance managers of Houston, Tex., announced that Jack Wray, executive special agent, has been advanced to production manager for Texas. Paul Snively was appointed special agent for Houston and Galveston, the territory heretofore particularly served by Mr. Wray.

Leonard F. Martin left the Seguros de Mexico of Mexico City to become director of the life department of Cravens, Dargan & Co., associated with H. V. Jackson, the manager. He was with the Sun Life of Canada before going with the Seguros de Mexico. William A. Appleby has gone to Houston to head the group department of Cravens, Dargan & Co. He has been group supervisor for Occidental Life of California in the Pacific Northwest.

Stay Granted in Adjuster Suit

MILWAUKEE—Circuit Judge Breidenbach has granted a stay of judgment to Abraham Rice, insurance adjuster, pending his appeal to the state supreme court from a writ forbidding him to perform certain functions in connection with adjusting held to be unauthorized practice of law. In a suit brought against Rice by the Milwaukee Junior Bar Association, the court handed down the judgment in June prohibiting him from performing such functions.

Security Fire's Five Year Record

The total five year business done by Security Fire of Davenport is incorrectly given on page 141 of the Underwriters' Hand-Book of Iowa for 1939 recently published. The correct figure for total premiums in Iowa for five years is \$888,366 instead of the figure given. The losses as given are correct.

Favors Detroit Ry. Self-Insurance

The general manager of the Detroit Street Railway has recommended that a self-insurance scheme be adopted in place of paying premiums to private companies. He made that announcement after a protest was entered to the Detroit city council over the awarding of fire insurance on the railway. The total contract of \$1,591,351 was divided among the Michigan Insurance Agency, Gorman & Thomas, Byrnes-McCaffrey and Lawton & Ouellette. The protest was filed by Willette & Hughes, contending that its bid was lower than any of the four. The D. S. R. general man-

CONVENTION DATES

Aug. 23—Utah Agents, Salt Lake City.
Aug. 21-24—Provincial Insurance Superintendents, Mt. Royal Hotel, Montreal.
Aug. 25-26—Wyoming Agents, Park Hotel, Rock Springs.
Aug. 25-26—Idaho agents, Sun Valley Lodge, Sun Valley.
Aug. 28-30—Federation of Insurance Counsel, Westchester Country Club, Rye, N. Y.
Aug. 29-31—Grand Nest Blue Goose, Netherlands Plaza, Cincinnati.
Aug. 30-Sept. 1—International Association of Insurance Counsel, Homestead Hotel, Hot Springs, Va.
Aug. 31—Washington Agents, Hotel Leopold, Bellingham.
Sept. 6-8—Iowa Agents, Hotel Hartford, Mason City.
Sept. 7-8—Oregon Agents, Pilot Butte Inn, Bend.
Sept. 7-8—New Jersey agents, Berkeley-Carteret Hotel, Asbury Park.
Sept. 8-9—Minnesota Agents, Brainerd.
Sept. 8-9—Montana Agents, Butte.
Sept. 13-15—Pennsylvania Agents, Golden Hall, Wernersville.
Sept. 11-13—International Claim Assn., Westchester Country Club, Rye, N. Y.
Sept. 15-16—Colorado Agents, Shirley-Savoy Hotel, Denver.
Sept. 19-20—Michigan Agents, Bancroft Hotel, Saginaw.
Sept. 19-20—Western Underwriters Association, Greenbrier Hotel, White Sulphur Springs.
Sept. 21, Vermont Agents, Basin Harbor, Lake Champlain.
Sept. 22-23—New Mexico Agents, Franciscan Hotel, Albuquerque.
Oct. 1-3—Insurance Advertising Conference, Statler Hotel, Boston.
Oct. 2-5—National Association of Insurance Agents, Statler Hotel, Boston.
Oct. 9-12—Annual Casualty Convention, Greenbrier Hotel, White Sulphur Springs, W. Va.
Oct. 13-14—Insurance Federation of New York, Hotel Arlington, Binghamton.
Oct. 16-18—Ohio Agents, Biltmore Hotel, Dayton.
Oct. 18-20—Kansas Agents, Jayhawk Hotel, Topeka.
Oct. 19-20—Tennessee Agents, Hotel Hermitage, Nashville.
Oct. 23-24—Missouri Agents, Elms Hotel, Excelsior Springs.
Nov. 8-9—Illinois Agents, Abraham Lincoln Hotel, Springfield.
Nov. 9-10—Indiana agents, Indianapolis Athletic Club, Indianapolis.
Nov. 13-15—California Agents, Hotel Oakland, Oakland.

ager said that the Willette & Hughes bid did not meet specifications.

New offices of the Hutchinson, Kan., branch of the Western Adjustment were formally opened Aug. 5, with Branch Manager G. R. Hanselmann officiating.

Lawrence B. Moore, attorney with the insurance law firm of Slaymaker, Merrell & Locke, Indianapolis, was married to Miss Margaret Parrish of Paris, Ill.

The August meeting of the Southern Minnesota Agents Regional Association will be held at Blue Earth Aug. 15.



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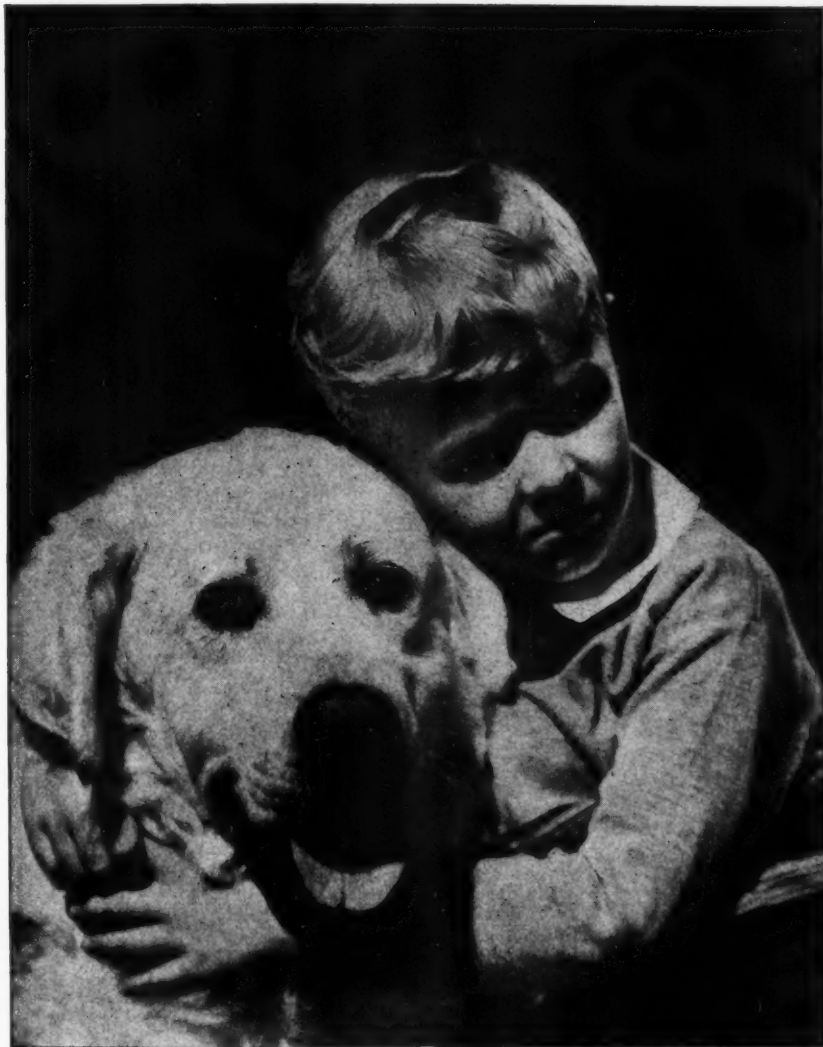
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